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Japan

Cautious Response to DPRK Denuclearization Plan

OW3007124891 Tokyo KYODO in English 1147 GMT
30 Jul 91

[Text] Tokyo, July 30 KYODO—Japan responded cautiously Tuesday to North Korea's proposal earlier in the day for the denuclearization of the Korean Peninsula.

Foreign Ministry spokesman Taizo Watanabe told Japanese reporters that while Pyongyang's latest proposal contains a few new elements, "the basic idea is in line with what North Korea has been saying to date."

Watanabe noted that one new element was Pyongyang's pragmatic recognition that the major nuclear powers are moving from confrontation to cooperation and reaching agreements on the reduction of nuclear weapons.

Officials explained that North Korea had traditionally scoffed at arms reductions agreements between the superpowers, asserting that U.S. actions are geared toward ultimately launching a nuclear war.

Watanabe said another new element in Pyongyang's proposal was the call on the United States, the Soviet Union, and China to legally guarantee the nuclear-free status of the Korean Peninsula in the future.

The spokesman noted finally that the proposal cited a target date, the end of 1992, for Pyongyang and Seoul to negotiate legal and practical matters related to turning the Korean Peninsula into a nuclear-free zone and to adopt a joint declaration with legal effect.

Officials stressed that Japan's recognition of the three new elements in the North Korean proposal did not constitute a value judgement about them.

The officials said Japan is still studying the proposal while taking into consideration the reactions of South Korea, the United States, and other concerned countries.

Government To Continue South Africa Sanctions

MB3007114291 Johannesburg South African
Broadcasting Corporation Network in English
1100 GMT 30 Jul 91

[Text] Japan says it will not lift economic sanctions against South Africa until more countries do so. Japan responded to the United States decision last month to lift sanctions by lifting a ban on tourism, and Japanese newspapers then predicted that Japanese economic sanctions would be gone by the end of this month.

However, a Foreign Ministry spokesman said in Tokyo that Japan would coordinate a decision on sanctions with other countries, including those of the European Community.

South African Official Predicts Doubled Trade

OW3007133391 Tokyo KYODO in English 0802 GMT
30 Jul 91

[Text] Tokyo, July 30 KYODO—Trade between Japan and South Africa is likely to double within two years from the time Tokyo lifts economic sanctions, a senior South African official has predicted.

Malcolm Ferguson, the Foreign Affairs Department director for the Middle East, Far East, and Australasia, said Tuesday in an interview with KYODO NEWS SERVICE that he expects Japan to regain its place as South Africa's second- or third-largest trade partner after all trade restrictions are removed.

The Japanese Government is expected to lift economic sanctions on certain categories of trade and investments before year-end.

In 1990, Japan's direct two-way trade with South Africa was worth 3.3 billion dollars, making it South Africa's fifth-largest trading partner after Britain, Germany, the United States, and Italy.

"We see Asia as a major market for regional natural resources, and also as a source of technology," said Ferguson, in Japan through Wednesday at the invitation of the Foreign Ministry as part of a group of educators and economists.

The mission, which includes representatives from both the government and a wide spectrum of political interest groups, is the first to visit Japan since Tokyo relaxed visa and cultural exchange restrictions in June.

Ferguson said he also sees Japan as a major force in the economic development of southern Africa due to Japan's position as one of the world's leading investors and sources of venture capital.

The vast region south of Zaire is rich in natural resources and home to 120 million people, he said, about the same population as Japan.

But, Ferguson said, Japanese investment in South Africa is likely to be sluggish until the country achieves political stability and settles on its future economic structure.

South African President F.W. de Klerk has set a target of 1994 for negotiating with opposing political groups a new constitution that would, for the first time, guarantee the black majority the right to vote.

Soviet Conversion of Military Industry Viewed

OW3007120691 Tokyo KYODO in English 1104 GMT
30 Jul 91

[Text] Tokyo, July 30 KYODO—The Soviet Union plans to set up a fund using money from its military industry to convert it to civilian use, officials at the Ministry of International Trade and Industry (MITI) said Tuesday.

Reporting findings by a Japanese economic mission sent to the Soviet Union last month, Buheita Fujiwara, deputy

director general of MITI's International Trade Policy Bureau, said the Soviet Union is preparing laws for conversion of industry.

The blueprint includes the proposed establishment of an accumulative financial fund to which munitions factories donate 3 percent of the value of annual sales from 1992, Fujiwara said.

Japan was asked to form a joint study group with the Soviet experts to clarify what kinds of assistance are necessary in what areas to propel the Soviet industrial reforms, he added.

According to Fujiwara, the mission found that the Soviet munition industry, in which some 5.5 million people are reported to be working, compared with 2.2 million in the United States, has rapidly reduced its scale.

The Soviet Government said the scale of the industry in 1991 was about 29 percent smaller than in 1988.

About 600 munitions factories are likely to be converted under the planned industrial reforms.

A major problem with the plan, however, is financial support, Fujiwara said.

He said Soviet President Mikhail Gorbachev had written in a letter to the leaders of seven major industrial nations that the Soviet Union will need about 30 billion dollars to support industrial restructuring.

The members of the mission felt strong enthusiasm from the Soviet people for reconstruction of their economy, but further research and exchanges of information are needed, Fujiwara said, suggesting the possibility of sending a similar mission soon.

Levels of support for economic reconstruction varied between the Central Soviet Government and the governments of the republics, he said.

The last mission, formed by Japanese Government officials and industry representatives as well as two U.S. government officials, visited the Soviet Union for 10 days from July 16.

They toured machinery works, aircraft engine plants, and chemical plants in the Ural industrial region to check the progress of the industrial reform plan.

Firm To Aid Conversion Effort

OW3007015791 Tokyo KYODO in English 0037 GMT 30 Jul 91

[Text] Tokyo, July 30 KYODO—Hosei Sewing Machine Mfg. Co. plans to give technological assistance to the Soviet defense industry for the manufacture of home-use sewing machines, a company official said Tuesday.

The medium-sized sewing machine maker will help the Defense Ministry's factory in Kiev, the Ukraine, begin production on a knock-down basis next March.

The Soviet factory plans to turn out 12,000 to 20,000 machines in the first year, a move designed to ease the acute shortage of clothes in the Soviet Union.

The agreement is seen as a model case of Japanese assistance toward the Soviet policy of converting 65 percent of military production to making civilian goods.

Japanese Victims of Terrorist Attacks in Peru

Aid Workers Withdrawn

OW2707063591 Tokyo KYODO in English 0601 GMT 27 Jul 91

[Text] Tokyo, July 27 KYODO—Japan will temporarily withdraw a total of 131 aid workers and their dependents from Peru because of a recent series of terrorist attacks against Japanese and Japanese-Peruvians, Foreign Ministry officials said Saturday.

Japanese Ambassador to Peru Masatake Senoo and a representative of the Japan International Cooperation Agency (JICA) met Peruvian President Alberto Fujimori in the Peruvian capital of Lima on Friday and conveyed the Japanese Government's decision to pull out the aid workers for their safety.

The officials, however, said there will be no change in the Japanese policy of aiding Peru despite the temporary withdrawal of the aid workers.

They also said the Japanese Government is planning to increase the number of Peruvian trainees studying in Japan and to raise the level of supplies of machinery, equipment, and other material aid to the country.

According to the Tokyo headquarters of JICA, a semigovernmental aid organization, all of 99 Japanese aid experts and volunteers engaged in official development assistance (ODA) projects in Peru will return to Japan as soon as possible.

Three Japanese agricultural engineers were shot dead by Maoist Shining Path guerrillas in Huaral, 100 kilometers north of Lima, on July 12.

On July 19, the body of a Japanese-Peruvian farmer was found riddled with bullets three days after he had been abducted by a different group of guerrillas.

On Tuesday a Japanese-Peruvian businessman was shot dead in Lima and his wife seriously injured in what hospital authorities called a guerrilla attack.

More terrorist attacks on Japanese are feared to take place as Fujimori, whose parents were Japanese immigrants, is marking the first anniversary of his inauguration Sunday, Japanese sources said.

Nationals Urged To Stay Away

OW2907115891 Tokyo KYODO in English 1108 GMT 29 Jul 91

[Text] Tokyo, July 29 KYODO—The Foreign Ministry cautioned Japanese nationals Monday against traveling to Peru because of recent murders of Japanese and Japanese-Peruvians.

The ministry issued a statement urging Japanese nationals to forego traveling to Peru because of the escalation of terrorist acts surrounding its anniversary of independence, which was Sunday.

Officials said the advisory extends one issued July 19, a week after three Japanese agricultural engineers from the Japan International Cooperation Agency (JICA) were shot dead by maoist Shining Path guerrillas.

The slaying of the aid workers prompted the government to recall 99 aid workers and 32 dependents from Peru, leaving only seven officials in Lima to administer Japan's aid program.

Officials cited several other recent incidents of concern, including the July 16 abduction of a Japanese-Peruvian chicken farmer, whose body was reportedly found three days later riddled with bullets.

On July 23, a Japanese-Peruvian poultry processing plant owner was shot dead in his car in suburban Lima in a suspected guerrilla attack, and the following day an electrical appliance store in the capital owned by a Japanese-Peruvian was blown up.

Officials said they have not yet advised Japanese nationals in Peru to evacuate. They estimated there are presently 2,000 Japanese nationals residing in Peru and 487 visiting temporarily.

By 1986 figures, there are about 52,300 Peruvians of Japanese descent in the South American country, the most prominent being President Alberto Fujimori.

An underground paper issued July 19 by the Shining Path branded Fujimori a servant of imperialism and charged that wealthy Japanese-Peruvians and politicians are exploiting poor Peruvians.

Brazilian Official Seeks To Solve Debt Problems

PY2707003291 Sao Paulo FOLHA DE SAO PAULO in Portuguese 23 Jul 91 Section 1 p 5

[By Andrea Fornes from Tokyo]

[Excerpts] Central Bank President Francisco Gros arrived in Tokyo on 22 July with the mission of improving relations between Brazil and Japan. Gros said: "In recent years we have not had good relations with Japan." [passage omitted]

Economy Minister Marcelo Marques Moreira is preparing to visit Japan in September to complete the fence-mending task that the central bank president will initiate. The problem at this time revolves around the debt, and the Japanese Government already voiced its dissatisfaction.

The Central Bank president revealed that the Brazilian debt with the Economic Development and Cooperation Organization amounts to \$20 million; the debt with Eximbank [Export-Import Bank] of Japan amounts to \$73 million; and the debt with Japan's International Trade and Industry Ministry amounts to \$800 million. Gros said: "The first thing we must do is clear up overdue interest,

which should have been paid by now because the negotiated part of the debt pertains to overdue interest." [passage omitted]

U.S. Bases Subject of Kadena Town White Paper

OW3007085691 Naha OKINAWA TIMES in Japanese 30 Jul 91 Morning Edition p 25

[Text] Kadena—The town of Kadena (Mayor Tokujitsu Miyagi) recently published a white paper, entitled "Kadena-cho and the Military Bases," compiling data on the situation of military bases in its area and the damage and various problems that arise because of them. The bases occupy some 83 percent of the area. This is the first such paper prepared on Kadena, which is called an island of bases or the epitome of Okinawa.

The paper is 241 pages long, and gives details on the situation of the town and the U.S. military bases in it, the history of aircraft crash accidents and damages from aircraft noise, and information on countermeasures taken about the bases, infrastructure projects carried out around the bases, and laws and ordinances [related to the bases]. Color pictures of military aircraft stationed on the bases and plans for the utilization of returned base land are also carried in the paper.

Concerning the publication of the paper, Mayor Miyagi said: "This gives a general picture of the town which is compelled to bear big burdens just because there are bases on it. We would like the people to understand the sentiments of the town's residents who feel 'we have had enough of this.'"

The white paper was published in a limited edition of 300 copies. The copies will be sent to the official facilities of the town, and offices concerned inside and outside the Okinawa Prefecture. An aerial photo of Kadena-cho is used on the cover, showing the large base areas and the crowded buildings adjacent to them.

The paper, which begins by saying "Although against our will, this town is known as a town of bases," is made up of 14 chapters in all. The paper in chapters 2 and 3 explains the situation of the U.S. military bases on Okinawa, with emphasis on Kadena Airbase, after an introduction to the town's history, population, and industries. Information on U.S. Forces units and installations in the area is also given.

Chapter 4 dwells on the situation of suffering from aircraft noise, results of the Three Parties' Consultative Council meetings, military aircraft crash accidents, the history of the B-52 bombers flying in and the town residents' protests concerning them, damages from sand dust, and incidents of aircraft fuel and detergents flowing out of the bases. Chronological tables and graphs are used, along with reports on them. Figures on military employees working on the bases in Okinawa are also given.

The chapter on countermeasures for base problems declares: "We cannot accept this situation of residents around the bases bearing the great strain of [Japan] providing the bases." The chapter defines "the removal of nuisances from the bases and the scaling down of the bases

as the key points of the countermeasures," and proposes having a treaty for noise prevention by setting times for flight training, and calls for the implementation of noise reduction projects. Plans for the utilization of returned base land are also called for.

Japanese Aid Funds ADB Grant to Philippines

OW2907121091 Tokyo KYODO in English 1140 GMT 29 Jul 91

[Text] Manila, July 29 KYODO—The Asian Development Bank (ADB) on Monday announced the approval of a 495,000 dollar grant to the Philippines for an integrated agricultural infrastructure and support services project.

The grant, which will come from the Japan Special Fund, will be used to develop infrastructure, technical and institutional support to increase the production of food grains and to improve farm income in underdeveloped areas of the country, the bank said.

A team of international and local consultants will implement the project, which will be carried out in two phases.

The first phase will develop a plan for agriculture infrastructure and support services in five provinces covering northern and western Mindanao.

The second phase will involve the preparation of a feasibility study for a pilot investment project that will include the design and implementation of an agricultural infrastructure program for farm-to-market roads in the project area, as well as the development of post-harvest facilities and an improved marketing system.

The study is expected to lead to an investment of about 500 million dollars and to an expanded development program in the production, processing and marketing of food grains.

Kanemaru on Backing Kaifu, Securities Scandal

OW3007050291 Tokyo NHK General Television Network in Japanese 1241 GMT 29 Jul 91

[Interview with Shin Kanemaru, chairman of the Liberal Democratic Party's Takeshita faction, Keisei-kai, by newscaster Tadashi Sonoda—live or recorded; first in series of interviews with LDP factional leaders on strategies for upcoming LDP presidential election; from "NHK News 21" program]

[Text] [Sonoda] First, let me ask you about the securities scandal. At long last, a list of companies that have been compensated for losses was made public this afternoon. Now the Diet will be called into an extraordinary session next week. How do you intend to deal with the securities scandal at the session? In this connection what do you think Finance Minister Hashimoto should do to assume his responsibility?

[Kanemaru] I think that the people will not forgive a situation in which they are being discriminated against. I think they feel it is unforgivable to the people. In that sense, the case gives one the impression that it is a

continuation of the Recruit scandal. I think it will be unforgivable if the case is dealt with at a snail's pace, like the Recruit case. I think that revisions to the Securities Transaction Act should be discussed at the coming Diet session. Only after doing so should your question on the responsibility of the Finance Ministry be examined. I am not in a position to say something about it now. I think that the Finance Ministry is responsible for inquiring into this case as thoroughly as possible and leaving no stain for the future.

[Sonoda] An LDP presidential election is scheduled for autumn and the Takeshita faction, the largest faction, holds the key to it. Does the Takeshita faction intend to put up its own presidential candidate?

[Kanemaru] Before talking about putting up our own candidate or not, the LDP has so-called factions. Some people criticize the factions, but in reality, they do exist; therefore, thorough debates should be made within the factions on whether selection should be made through election or negotiation. When the Diet is called into session, this question should be discussed at the session along with the question of procedures for Diet deliberations. Even if you say that Keisei-kai holds the key to the election, I do not think that we hold it. I think that each and every member of the LDP holds the key.

[Sonoda] What do you think of the Takeshita faction endorsing Prime Minister Kaifu as a possible reelection choice?

[Kanemaru] Well, I am afraid that the 52 percent popularity rating in opinion polls is a factor that cannot be totally ignored. On the other hand, however, there is criticism that Kaifu is weak-kneed. As I mentioned earlier, as far as this question is concerned, we will have to hold thorough debates with other factions while listening to the views of the people and the media. As I always say, politics is conducted for the sake of the people, not for the sake of politicians. Therefore, I think the presidential election is a question that all party members should consider, taking that fact fully into consideration. So, as far as the question of whether selection should be made through negotiation or through an open election is concerned, you may think that I am totally with a clean slate.

[Sonoda] According to the man on the street, the names of Hashimoto, Ozawa, [former Minister of Agriculture, Forestry, and Fisheries Tsutomu] Hata, and Obuchi are mentioned as possible candidates. Do you mean that, in the eyes of faction Chairman Kanemaru, all these possible candidates are passable?

[Kanemaru] I am not saying whether they are good or bad....

[Sonoda, interrupting] Do you mean they gain your confidence?

[Kanemaru] I am saying that I think there are a number of people in our faction who have the capacity to become prime minister and party president. Therefore, I cannot comment on how I rate them. We do have qualified people in our faction; however, if there is a person who is better

and who can serve better in the interest of the nation, I think it would be good if that person ran in the election. I do not think that the candidate should by all means come from our faction.

[Sonoda] What kind of man would you push as a presidential candidate?

[Kanemaru] Well, a man who gets along well with the United States. In view of the fact that diplomacy will come to play a particularly important role in the future, it is necessary that he also be versed in diplomacy while being able to display strong political capabilities domestically.

Meanwhile, public opinion shows 52 percent of the people—the highest ever—are supporting Prime Minister Kaifu, whose term is coming to an end. Some views hold that his having 52 percent support cannot be ignored. I think this is something that cannot be decided only by Nagatacho or the Diet.

[Sonoda] Mr. Miyazawa and Mr. Watanabe of the Taisho-era generation appear to have started to move in pursuit of power. On the other hand, there is resistance to a Recruit scandal-involved Diet member becoming party president. Chairman Kanemaru, what is your view?

[Kanemaru] Even though there still are people with fastidious thinking, I would like to note that there have been elections since the scandal occurred. I think there has been some filtering action on that matter. I think it is all right to use these people if they can be used for the sake of the country. If we keep on saying only Recruit and Recruit, there will be no progress in the nation or politics. That is how I feel.

[Sonoda] Speaking about the Political Reform Bill, which will be a major topic at the next extraordinary session of the Diet, there are still divergent views on it even within the LDP. What will the Takeshita faction's position be on this matter?

[Kanemaru] The biggest problem here is that people in the electoral districts are asking Dietmen—are you leaving us? When politicians are asked whether they are cutting ties with people of their hometown, it is only natural that politicians think about what is happening to themselves.

This point should be fully taken into account in the course of reviewing the bill. The bill must be one that has the approval of both the people and the Diet, the latter of which is the legislative body. What needs to be changed should be changed, and I think it would be better if this was done by the review committee set up by ruling and opposition parties.

LDP's Miyazawa Supports Environmental Causes
OW2807110391 Tokyo KYODO in English 0952 GMT 28 Jul 91

[Text] Kushiro, Hokkaido, July 28 KYODO—Former Finance Minister Kiichi Miyazawa on Sunday called for a doubling of funds to preserve the environment and for an expanded government program for conservation.

Speaking at a natural preserve in Kushiro for the Japanese crane, Miyazawa, a contender for the next Japanese prime minister, told reporters the budget for the environment agency and related ministry bureaus should be doubled by the 21st century to 3 trillion yen.

He said aid earmarked for environmental protection within the government's official development assistance (ODA) program for developing countries should also be doubled over the next five years to 300 billion yen.

Miyazawa said Japan should do its best to help make next June's "environment summit" in Brazil a success by helping to formulate controls for carbon dioxide emissions, the leading cause of global warming.

"In the post-cold war world, people have become more aware of environmental issues," Miyazawa said.

He further stressed the need for nuclear energy, saying that without it, "economic growth may not be possible."

"While considering safety, we must think of 'clean energy' sources like nuclear energy," he said.

Miyazawa was touring the marshes in Kushiro, where in 1993 the fifth meeting of the Ramsar Convention signatories will be held.

The convention aims at preservation of wetlands which serve as the preserves of waterfowl.

Miyazawa's appearance in Kushiro also doubled as a campaign visit prior to this fall's Liberal Democratic Party poll for party president.

SDP To Open Extra Party Convention on Reform
OW2907150591 Tokyo KYODO in English 1348 GMT 29 Jul 91

[Text] Tokyo, July 29 KYODO—The Social Democratic Party (SDP) will open its two-day extraordinary convention Tuesday in Tokyo to formally endorse Makoto Tanabe as the party's new chairman.

The nation's leading opposition party will also decide on other top posts and discuss a controversial party reform plan which virtually recognizes Self-Defense Forces (SDF) and the Japan-U.S. Security Treaty, party sources said.

Although three major groups within the party have agreed to promote Vice Secretary General Sadao Yamahana to secretary general, smaller factions may complicate matters by offering rival nominees, the sources said.

The party's new leadership may therefore have to be determined by a vote, they said.

SDP executives hope to pass the reform plan on the final day of the convention.

But Tetsu Ueda, who lost to 69-year-old Tanabe in the party's nationwide chairmanship race last week, will try to prevent the policy reforms from being approved, the sources said.

Ueda's leftist faction is expected to demand that discussions continue on the issue until a regular party convention slated in coming December, they said.

The opposition group is also preparing a draft amendment against the SDF and the Japan-U.S. Security Treaty, they said.

A total of 616 delegates will attend the extra party convention. However, nearly half of the delegates want the party to strictly adhere to the war-renouncing Constitution, party officials said.

Regarding the SDF and the U.S.-Japan Security Treaty, Tanabe said at his victory celebration last week that he will make gradual advances on the two issues in consideration of the pacifist Constitution and Japanese history.

Tanabe added that a concrete policy on the SDF will be formed by a "shadow cabinet" that is expected to be set up for the first time in the party's history.

Doi Makes Farewell Address

*OW3007033991 Tokyo KYODO in English 0315 GMT
30 Jul 91*

[Text] Tokyo, July 30 KYODO—Social Democratic Party (SDP) chairwoman Takako Doi called on party members Tuesday to form party policies and carry out them so that the SDP can wrest power from the ruling Liberal Democratic Party (LDP).

Doi was addressing some 600 delegates at the opening of a two-day SDP extraordinary convention at which she will step down from the party's top post to take responsibility for the crushing defeat of the SDP in local elections across the country in April.

Chairman-elect Makoto Tanabe will take over from Doi, who is the first woman party leader in Japan's political history.

The SDP could not seize power from the LDP for decades not because the party is losing its founding ideals and spirit based on the war-renouncing constitution but because it could not carry out policies as expected by the Japanese people, Doi said.

She urged all party members to strive to expand the party's political base to gain the trust of the people.

The Japanese people want the SDP to make a bold review of its basic policies, Doi said, apparently referring to the party's stance on the Self-Defense Forces (SDF) and the Japan-U.S. Security Treaty.

She urged party members to make realistic compromises to realize the ideals of the war-renouncing Constitution, which states that Japan will not maintain armed forces and prohibits the use of force in international disputes.

Doi touched on political reform and the scandal involving securities firms, which will be the main issues to be discussed in the extraordinary Diet session beginning August 5.

The SDP will oppose the LDP-proposed electoral reform calling for single-seat constituencies with a proportional representation system for the House of Representatives, which she said would favor the ruling party in national elections.

The LDP proposal calls for reducing the number of seats in the lower house from 512 members elected in multiple-seat constituencies to 471 in single-seat constituencies, which would include 171 seats to be elected through a proportional representation system.

Doi said the party will also seek in parliament a more strict revision of the law controlling political funds.

On the scandal of the securities companies, Doi said it indicates there existed an implicit understanding and accord on compensation for losses on stock investments among the Finance Ministry, the securities and financial industry, and large companies.

The SDP will do whatever it can to clear up the scandal in the upcoming extraordinary Diet session, she said.

Turning to the role of the SDF, Doi accused the government and the LDP of using UN peacekeeping operations as an excuse to send armed forces overseas.

She said Japan can not be a law-governed state if the government changes the Constitution at will.

Further Developments in Securities Scandal

Kaifu, Obuchi on Watchdog Body

*OW2907130891 Tokyo KYODO in English 1227 GMT
29 Jul 91*

[Text] Nagano, July 29 KYODO—Prime Minister Toshiki Kaifu and Keizo Obuchi, secretary general of the ruling Liberal Democratic Party (LDP), agreed Monday to work toward setting up a watchdog body to oversee stock transactions in the wake of the release of the list of compensated clients by the "Big Four" securities firms.

They also agreed to review a Finance Ministry monitoring system of stock markets.

The premier and the secretary general reached agreement that the government and the LDP should take measures to prevent a recurrence of the stock scandal during the extraordinary session of the Diet to be convened on August 5, party officials said.

Kaifu and Obuchi met in a hotel in the mountain resort of Yatsugatake, central Japan, to discuss the stock scandal, political reform measures, and possible Japanese participation in United Nations peacekeeping operations, which are expected to be focal points at the special Diet session.

They also agreed that the government and the LDP should do their utmost to stabilize the Tokyo stock market in view of the possible adverse international effects of the scandal.

Following the release of the list, Obuchi issued a statement pledging to take necessary measures, including revision of laws, to prevent a recurrence of the scandal and develop a healthy free market economy.

Possible Watchdog Body Studied

OW3007023291 Tokyo KYODO in English 0046 GMT
30 Jul 91

[Text] Tokyo, July 30 KYODO—A government advisory panel began discussions Tuesday over the possible establishment of a watchdog organization like the U.S. Securities and Exchange Commission (SEC).

The Provisional Council for the Promotion of Administrative Reform, meeting at a Tokyo hotel, is considering the question at the request of Prime Minister Toshiki Kaifu.

The panel will continue its deliberations without breaking for the summer and submit its proposals to Kaifu in September.

Council Chairman Eiji Suzuki, a former chairman of the Japan Federation of Employers Associations, expressed support for setting up a Japanese-style SEC during a meeting with Kaifu on Friday.

Leading officials within the governing Liberal Democratic Party (LDP) are also keen to see the establishment of such a watchdog body, as well as other measures to check practices such as the recently exposed payments by the nation's four largest brokerage houses of compensation to favored clients.

But it may be difficult to unite opinion within the panel since several of its members have expressed caution toward the idea.

The Finance Ministry is also reluctant to establish such a body because it would impinge on the ministry's regulatory powers.

Japan's "big four"—Nomura Securities Co., Nikko Securities Co., Daiwa Securities Co., and Yamaichi Securities Co.—paid a total of 128.3 billion yen to over 200 favored clients between 1988 and 1990 to compensate them for stock and bond trading losses.

Nomura and Nikko also extended a huge amount of loans to yakuza mobsters to finance their stock trading.

Watchdog Body Not Recommended

OW3007101691 Tokyo KYODO in English 0742 GMT
30 Jul 91

[Text] Tokyo, July 30 KYODO—An advisory panel to the prime minister agreed Tuesday to make an emergency proposal on securities industry administration at the end of next month to prevent a recurrence of brokerage scandals, officials said.

However, the Ad Hoc Panel on Administrative Reform will not include a recommendation for the establishment of a watchdog organization like the U.S. Securities and Exchange Commission (SEC) in the emergency proposal, the officials said.

The planned emergency proposal scheduled for next month will refer to reviewing the inspection system of the securities industry within the Finance Ministry and revision of the securities exchange law, they said.

The panel decided to continue discussions about a Japanese-style SEC until it submits a report to Prime Minister Toshiki Kaifu in December this year because many panel members expressed caution toward the idea, the officials said.

Prime Minister Kaifu last week requested the government panel to propose medium and long-range measures to prevent brokerage scandals, including the establishment of a SEC-like watchdog.

During the meeting at an hotel in Tokyo, an executive whose organization received compensation for stock market losses and a former Finance Ministry official who heads the Tokyo Stock Exchange expressed their hopes to join the discussions over the brokerage scandals, the officials said.

Eiji Suzuki, chairman of the Provisional Council for the Promotion of Administrative Reform, said the two will join deliberations by the council.

Toyobo Co. President Osamu Uno told fellow council members that his company's subsidiary, Toyobo Finance, received compensation payments. The Securities Dealers Association of Japan announced Monday that Toyobo Finance was paid 141 million yen by Nomura Securities Co.

Council member Minoru Nagaoka is chairman of the Tokyo Stock Exchange and a former Finance Ministry official.

The close ties between the Finance Ministry and securities firms, who hire former ministry officials, has been criticized in the wake of the brokerage scandals.

Former President of Nomura Securities Co. Yoshihisa Tabuchi said when he stepped down last month that the ministry had known of the practice of reimbursing major clients for investment losses.

Some 10 securities firms paid out over 160 billion yen to compensate favored clients over two-and-a-half years, even after the Finance Ministry issued a directive in 1989.

Reservations Expressed

OW3007113291 Tokyo KYODO in English 1023 GMT
30 Jul 91

[Text] Osaka, July 30 KYODO—Business executives on Tuesday expressed reservations about creating a powerful watchdog body similar to the U.S. Securities and Exchange Commission (SEC).

Yasuo Shingu, vice chairman of the Kansai Committee for Economic Development, told a press conference that regulators should find ways of preventing similar scandals short of creating an independent regulatory agency.

Nobutaka Yamamoto, also a vice chairman of the committee, urged regulators to place priority on banning discretionary accounts.

The special accounts, which give securities firms a free hand in managing client investment funds, are a key factor behind the scandals involving questionable compensation payments.

A list of nearly 200 corporations compensated for stock and bond market losses by Japan's four leading brokerages was released Monday by the Japan Securities Dealers Association in response to pressure from the Finance Ministry.

Both Shingu and Yamamoto voiced dissatisfaction with the way in which the list was disclosed.

Shingu, also president of Sumitomo Metal Industries Ltd., denied that his company had prior knowledge of compensation payments, despite being included on the list.

He added that it would be careless to assume that all the companies listed had sought such favors.

Referring to a 1989 Finance Ministry directive against covering client losses, Shingu said relying on ministry directives has its shortcomings and that the regulatory system must be made more transparent to ensure public confidence.

Yamamoto said it was a mistake for the association to name recipients without first clarifying the nature of compensation payments.

"The aim of the disclosure should have been to prevent a recurrence of the compensation scandal. So it would have been better to release details and methods of compensation," Yamamoto said.

In a separate press conference, Josei Ito, president of Nippon Life Insurance Co., said disclosing the list was better than nothing, but took a dim view of standards used to determine which recipients should be named.

"Work should have been done to make it clear whether each case of compensation was illegal, against a directive or only a violation of business ethics," he said.

Ito also said he was opposed to the formation of a Japanese version of the SEC, saying it would undermine the free market by excessive regulation.

"If a license system (administered by the Finance Ministry) and an investigative agency coexist, there would be double regulation that could hamper the function of a free market mechanism," he said.

Revisions to Securities Law

OW2907152091 Tokyo KYODO in English 1359 GMT 29 Jul 91

[Text] Tokyo, July 29 KYODO—The Finance Ministry has outlined a bill for revising Japan's Securities and Exchange Law to be submitted in late August to the next extraordinary session of the Diet, ministry sources said Monday.

The revised law would prohibit brokerages from compensating clients for investment losses and ban discretionary accounts, the sources said.

Discretionary accounts are fund trusts that clients entrust to their brokers to manage. Such accounts allow brokerages to channel the funds into any shares they wish and to buy and sell the shares whenever they choose.

It is these discretionary accounts which analysts say are largely to blame for the practice of compensating clients for investment losses.

The ministry is considering including in the revision a provision that would impose punitive measures on not only brokerages but also firms that request compensation from brokerages for investment losses, the sources.

Article 50 of the existing Securities and Exchange Law forbids securities firms from making prior promises to compensate clients for prospective losses.

The ministry plans to add a provision barring brokers from compensating their clients after losses are incurred, the sources said.

The ministry will clarify the definition of compensatory payouts and list specific examples in government and ministerial ordinances, they said.

More Names Possibly Revealed

OW2907120991 Tokyo KYODO in English 1133 GMT 29 Jul 91

[Text] Tokyo, July 29 KYODO—The Finance Ministry will not seek the disclosure of payouts by smaller brokerages in connection with the sweeping stock scandal, ministry officials said Monday.

The ministry, however, would not obstruct the smaller brokerages from disclosing such a list voluntarily, they said.

The smaller securities firms have reportedly paid a total of 35 billion yen to favored clients to compensate for investment losses in the year ended March 1990.

The officials said these brokerages are scheduled to submit a revised report on their payouts and recipient clients within this week.

Their impact on the market is smaller than that of the "Big Four" brokerages, they said.

The Japan Securities Dealers' Association made public a list of reimbursements to favored customers by the Big Four brokerages, totaling 128.3 billion yen to 228 firms and institutions, and three individuals.

Finance Minister Ryutaro Hashimoto resumed his vacation at the summer resort of Karuizawa in Nagano Prefecture after briefly returning to Tokyo for consultations with aides over the scandal.

Diet Committee Requests Lists

OW3007091691 Tokyo KYODO in English 0749 GMT 30 Jul 91

[Text] Tokyo, July 30—A Diet committee decided Tuesday to ask six other leading brokerages to disclose the names of clients they compensated for trading losses as soon as possible.

The decision was made at an executive meeting of the House of Representatives Finance Committee.

The decision came after the Finance Ministry submitted to the committee a categorized list of favored clients which received payouts from the "big four" securities companies earlier Tuesday.

The list showed that the four biggest brokerages paid a total of 128.3 billion yen to 231 favored customers, including three individuals, to make up for market losses.

Diet officials said no deadline was set for the disclosure of payouts by six other major brokerages because of an ongoing investigation by tax authorities.

Industry sources said the six brokerages are expected to voluntarily make public the list of their favored customers through the Japan Securities Dealers' Association.

The six houses are New Japan Securities Co., Kankaku Securities Co., Wako Securities Co., Kokusai Securities Co., Sanyo Securities Co., and Tokyo Securities Co.

The sources said ruling and opposition members of the Finance Committee failed to agree on two issues—whether to summon witnesses to testify on the scandal and whether to establish an ad hoc committee to investigate the affair.

Obuchi Urges Lists Release

*OW3007113991 Tokyo KYODO in English 1120 GMT
30 Jul 91*

[Text] Tokyo, July 30—The Secretary General of the ruling Liberal Democratic Party (LDP), Keizo Obuchi, called Tuesday for six second-tier stockbrokers to disclose the names of clients they compensated for trading losses.

The six houses are New Japan Securities Co., Kankaku Securities Co., Wako Securities Co., Kokusai Securities Co., Sanyo Securities Co., and Tokyo Securities Co.

Obuchi, in an interview with KYODO NEWS SERVICE, said he does not agree with an opposition demand that some executives of "big four" securities companies should be summoned as sworn witnesses to the Diet to testify about the scandal.

"Now it was sufficient that a categorized list of favored clients which received payouts from the big four was made public," he said.

The Finance Ministry submitted to a Diet committee Tuesday the list of favored clients whose investment losses were compensated by the Nomura, Nikko, Daiwa, and Yamaichi securities companies.

The list showed that the four biggest brokerages paid a total of 128.3 billion yen between 1888 [as received] and 1990 to 231 major customers, including three individuals, to make up for market losses.

Smaller Firms To Issue Lists

*OW3007032791 Tokyo KYODO in English 0247 GMT
30 Jul 91*

[Text] Tokyo, July 30 KYODO—Japan's six second-tier brokerage houses will name this week favored clients they compensated for trading losses, securities industry sources said Tuesday.

The companies are expected to voluntarily make public the lists of such clients through the Japan Securities Dealers Association.

The companies—New Japan Securities Co., Kankaku Securities Co., Wako Securities Co., Kokusai Securities Co., Sanyo Securities Co., And Tokyo Securities Co.—have admitted covering losses of major investors, totaling 35 billion yen.

The "big four" brokerages—Nomura Securities Co., Daiwa Securities Co., Nikko Securities Co., and Yamaichi Securities Co.—Monday revealed the lists of clients whose losses they have covered.

The lists showed the companies paid more than 128.3 billion yen to 228 companies and three individuals, including such household names as Toyota Motor Corp., Matsushita Electrical Industrial Co., and Hitachi Ltd.

The favored clients' lists of the top and second-tier brokerages are expected to stir lively Diet debate on the stock scandal in an extraordinary session scheduled to start August 5.

Tokai Bank Files Lawsuit Against Former Employee

*OW2807093091 Tokyo KYODO in English 0859 GMT
28 Jul 91*

[Text] Nagoya, July 28 KYODO—Tokai Bank filed a lawsuit Sunday against a former acting branch head for allegedly issuing fake deposit documents to use them as collateral on loans from five nonbank financial institutions, a senior bank official said.

Mamoru Mizuiwa, Tokai Bank vice president, told a news conference at its Nagoya head office the bank dismissed Susumu Morimoto earlier in the day and lodged the suit against him with the Tokyo metropolitan police department.

Morimoto was acting head of Tokai's Akihabara Branch in Tokyo until June. Tokai is Japan's seventh-largest city bank and known as Toyota Motor Corp.'s main bank.

Mizuiwa said internal investigations show Morimoto issued deposit documents without the bank's approval to use them as collateral for loans totaling 63 billion yen from the nonbanks on 13 occasions between March 1990 and June 1991.

Morimoto allegedly had nonbanks extend nine of the loans last month, Mizuiwa said.

The Tokai Bank executive said the in-house probe showed other bank officials had not been involved in the fraud.

Morimoto joined Tokai Bank in 1976 and became acting head in Akihabara in June 1989. He moved to the Toranomon branch at the end of last June.

The revelations, made Saturday, brought to three over the past week the number of major commercial banks with staff involved in fraud. The other two are Fuji Bank, the fifth largest, and Kyowa Saitama Bank, eighth.

Mizuiwa said Tokai Bank has formed a task force to get to the bottom of the case and prevent a recurrence.

JETRO Reports on World Trade Situation

OW3007110991 Tokyo KYODO in English 1023 GMT 30 Jul 91

[Text] Tokyo, July 30 KYODO—Trade in industrialized nations is growing steadily, but is falling sharply in the Soviet Union and Eastern Europe, according to a report released Tuesday by the Japan External Trade Organization (JETRO).

The 1991 edition of the JETRO White Paper on International Trade points to the importance of cooperation among Japan, the United States, and Europe in the world economy now the Cold War has ended.

To promote cooperation among the three economic powers, free trade must be maintained by successfully concluding the Uruguay Round of Multilateral Trade Talks.

The paper also called for increased exchanges among the three areas.

The paper urged the three regions to support efforts by the Soviet Union and Eastern Europe to move toward market-oriented economies so they can eventually enter the world economy.

It urged Japan to step up imports of manufactured goods and contribute to the Western Pacific area, which is seen as the center of global economic growth.

The value of world trade jumped 13.0 percent to 3.47 trillion dollars in 1990.

The growth easily outpaced that in 1989 when world trade rose by 7.5 percent.

The upsurge in oil prices, however, during the Gulf crisis and the depreciation of the U.S. dollar inflated the growth in world trade in terms of value.

Growth in the volume of world trade in 1990 slowed to 5.0 percent from 7.0 percent the year before.

The value of exports by industrialized nations spurted 14.5 percent in 1990, while that by developing nations expanded by 13.0 percent.

The value of exports by the Soviet Union and Eastern Europe, however, tumbled 24.7 percent in 1990.

The market share of world trade by industrialized nations rose 8.3 percentage points to 71.8 percent during the year, while that by the Soviet Union and Eastern Europe fell 3.1 points to 4.6 percent.

4.7 Percent Economic Growth in 1990's Predicted

OW2907173591 Tokyo KYODO in English 1451 GMT 29 Jul 91

[Text] Tokyo, July 29 KYODO—The Institute on the National Economy, known for its bullish forecasts, predicted Monday that the Japanese economy will enjoy an average 4.7 percent real annual growth rate in the 1990s.

The forecast is higher than those offered by other domestic think tanks, economists of the Tokyo-based institute said.

Other research offices, mainly private financial institutions, have predicted that average real growth in the 1990s will be in the 3 percent range, saying a labor shortage will inhibit growth during the decade.

The institute, however, said Japanese corporations will get around the problem by stepping up investments in labor-saving equipment to sustain growth.

Economic Indicators Show Expansionary Economy

OW3007065891 Tokyo KYODO in English 0543 GMT 30 Jul 91

[Text] Tokyo, July 30 KYODO—A set of the government's economic indicators shows that the economy remains on an expansionary track despite a slowdown in growth, the Economic Planning Agency said in a preliminary report Tuesday.

The leading indicator, which predicts business conditions in upcoming months, stood at 30 percent, below the so-called boom-bust line of 50 percent for the ninth straight month.

The prospects of a weak business performance are mainly a result of declines in new machinery orders, housing starts, and money supply, it said.

The coincident indicator for present economic conditions was at 50 percent, for the first time in two months, because of active sales at department stores and brisk electric power consumption.

The lagging indicator, which shows economic conditions in past months, was 71.4 percent, well above the line of 50 percent for 10 months in row.

Panel Recommends 10 Percent Cut in Overtime

OW2907065491 Tokyo KYODO in English 0605 GMT 29 Jul 91

[Text] Tokyo, July 29 KYODO—An expert panel appointed by the Labor Ministry called on the government Monday to formulate guidelines to reduce overtime working hours by 10 percent annually over the next three years.

The group is studying ways to improve the quality of life, and made the appeal in a report released Monday.

The report said long overtime work, which averaged 185 hours per worker in fiscal 1990, stands in the way of attaining the government's goal of reducing annual work time to 1,800 hours.

The report recommended the government to formulate measures to achieve the goal, such as designating a day or week without overtime, promoting a flexible work hour system, and setting a ceiling for yearly overtime work hours.

The report urged both employers and workers to change their minds and cooperate to reduce overtime work.

In response to the recommendation, the Labor Ministry plans to work out a set of measures aimed at reducing overtime work in August, ministry officials

Nonbanks Depend on Real Estate for Business

OW2907062291 Tokyo KYODO in English 0540 GMT 29 Jul 91

[Text] Tokyo, July 29 KYODO—Japan's nonbank financial institutions depend on real estate-related deals for much of their business, according to a Japanese newspaper survey published Monday.

The survey, conducted by the economic daily NIHON KEIZAI SHIMBUN with the help of its research arm, was based on questionnaires sent in June to 1,000 nonbank companies such as leasing, consumer credit, and credit card companies. Of them, 320 companies responded.

The survey showed that the nonbank companies offered 5.3 percent of their loans to manufacturing companies, 51.8 percent to nonmanufacturing companies, and the rest to individual customers.

Among the nonmanufacturing companies, real estate companies accounted for 16.4 percent of the loans and construction companies 4.6 percent. Real estate-related loans thus accounted for 20.9 percent of the total loans offered by the responding companies.

The survey showed 31.4 percent of the loans offered by the companies, except those serving only individual customers, were real estate-related.

It also showed 62.4 percent of the loans, except by companies serving only individual customers, were offered with real estate as collateral.

The survey also indicated nonbanks are having increasing difficulty obtaining loans from banks, which the newspaper attributed to government restrictions on real estate-related financing by the banking industry.

According to the survey, 48.8 percent of the responding firms reported they suffered from varying degrees of fund shortages.

The nonbank companies generally depend on loans from banks and other financial institutions.

The companies are prohibited by law to issue debentures in order to raise funds for loans. Only 30 of the nonbank firms are listed on the stock exchange or on the over-the-counter market, and most of them are unable to raise funds from the capital market.

The survey also showed that 77.2 percent of the responding companies had no intention of issuing commercial paper (CP) to raise funds even after the government lifts restrictions on nonbank companies' CP issues.

The newspaper noted that most of the nonbanks fail to meet minimum income standards for CP issues and that there would be little cost difference between CP issues and bank loans.

Businesses Expected To Sell Long-Held Stocks

OW2807051191 Tokyo KYODO in English 0408 GMT 28 Jul 91

[Text] Tokyo, July 28 KYODO—Major Japanese businesses are expected to start selling long-held stocks to meet their capital spending needs, the NIHON KEIZAI SHIMBUN [NIKKEI] reported Sunday.

The sluggish stock market, coupled with reluctance among banks to lend, is making it hard for listed companies to raise funds on the capital market and meet capital spending needs.

Mitsubishi Materials Corp. is planning to raise around 30 billion yen by selling part of its holdings in the year through March 1992.

The company is considering spending over 450 billion yen on plants and equipment over the next five years. It also needs to redeem 130 billion yen worth of bonds with warrants to purchase new shares by 1994.

With its internal reserves for the five years estimated at some 310 billion yen, the company is expected to see a fund shortage of over 100 billion yen, the paper said.

Nisshin Steel Co. is projecting capital expenditure for the year to March 1993 to reach a record 61 billion yen. In order to reach the target, the company is considering selling long-held bank and other shares over the next several years, the business daily said.

The sales of long-owned shares, also planned by Tonen Corp. and Asahi Chemical Industry Co., may gradually eliminate cross-shareholding among major corporations.

Such interlocking ownership, known as "keiretsu," has been criticized by the United States as a barrier to trade, the NIKKEI said.

Revamped Fixed Retail Price System Proposed

OW2907120291 Tokyo KYODO in English 1057 GMT 29 Jul 91

[Text] Tokyo, July 29 KYODO—An advisory panel to the Fair Trade Commission (FTC) on Monday recommended a repeal of the retail price support system for cosmetics and medicines under the Antimonopoly Law.

The panel also recommended books, magazines, newspapers and records be accorded less favorable treatment under the system in setting their retail prices.

The FTC should conduct market research on these products and nullify the application of the system to them if

their special treatment is found to hamper fair competition, the panel said in a report submitted to the trade watchdog body.

Under the system, introduced in 1973, makers are allowed to fix retail prices for cosmetics under 1,030 yen, and for 26 general medicines, including painkillers and cold remedies.

The main reason for excluding such products from the free pricing mechanism under the antimonopoly law was to prevent makers setting unfairly low prices as a means of luring consumers, a practice common at the time the system was introduced.

Retail prices for books, magazines, newspapers, and records, as well as music tapes, are also traditionally allowed to be fixed under the system.

The panel said, however, that the market has changed drastically over the years and the almost 20-year-old system may no longer be appropriate. In some cases, the rules have actually hindered fair competition, it said.

The panel also noted that there are no similar exemption rules covering these products under antimonopoly laws in any other major industrialized countries.

In particular reference to compact discs (CDs), rapidly replacing records and tapes in the commercial music business, the panel said the CD industry does not consist of small companies, unlike the publishing industry, and that allowing fixed retail prices for CDs could harm fair competition.

The panel has been studying the exemption rules of the Antimonopoly Law since January last year.

In view of the changing economic environment and the increasing need to make domestic rules more compatible with international ones, the FTC requested the panel to clarify the areas in which the exemption rules need to be revamped.

This is also part of Japan's agreement with the United States in the bilateral Structural Impediments Initiative (SII) trade talks to enhance its control on monopolization, FTC officials said.

In addition to the suggestions on fixed retail prices, the panel also recommended a review of exemption rules for cartels as a whole.

It pointed out four categories of cartels which are currently excluded from the restrictions of the Antimonopoly Law but which should preferably be removed from protection.

The first category is cartels which do not help the industry's rationalization process. Cartels in the textile industry which restrict the scale of production facilities is one example.

The category also includes cases where the changes in market conditions no longer justify the existence of cartels.

The second category is cartels involving the government, such as the setting of international aviation fees in accordance with international levels. The panel suggested minimizing this area as free competition is the basic rule of commerce.

The third category is cartels which are allowed but have not actually been set up for a long time. This includes cartels allowed for rationalization of the mining industry which were not formed over the past 15 years.

The fourth category is case, where the fundamental need for cartels has disappeared as a result of changes in other laws and rules.

The panel urged a thorough review of the rules for allowing cartels. It said there could be problems such as unfair demands for price reductions by large companies in some areas after the cartel issue is resolved.

The FTC should set up a consulting system and closely follow the situation in the areas concerned, it said.

Aomori Nuclear Fuel Reprocessing Plant Postponed

OW3007051991 Tokyo KYODO in English 0447 GMT 30 Jul 91

[Text] Aomori, July 30 KYODO—A company planning a nuclear fuel reprocessing plant in Rokkasho, Aomori Prefecture, told the Science and Technology Agency on Tuesday it wants to postpone the start of construction from December this year until October next year.

Japan Nuclear Fuel Service (JNFS) plans to build the plant as part of a nuclear fuel-cycle complex which also includes a storage facility for low-level nuclear waste.

The postponement, attributed to lengthy safety checks being carried out by the agency, will delay commencement of operation of the controversial plant from its originally scheduled starting date by 20 months until November 1995, agency officials said.

It is the third time a request for postponement has been submitted to the agency.

The previous two delays arose from stepped-up environmental protection measures such as the prevention of escaping radioactive substances in exhaust gases, as a result of strong local opposition to construction of the plant.

To make the plant more acceptable to local residents, the Ministry of Trade and Industry is promoting a policy of development for the region through subsidies to 15 cities, towns and villages in the area, but about 440 million yen of this year's scheduled amount will now be suspended.

The reprocessing plant is designed to produce plutonium from spent fuel from the nation's nuclear power stations.

In its first 10 years of operation it is expected to handle about 6,250 tons of spent fuel.

Plutonium is a highly toxic fissionable element that is extensively used in nuclear reactors and as an active element in nuclear weapons.

Toyoda Machine Works To Shut Down U.S. Plant

*OW2907130391 Tokyo KYODO in English 0858 GMT
29 Jul 91*

[Text] Nagoya, July 29 KYODO—Toyoda Machine Works Ltd. disclosed Monday it will shut down its industrial machinery manufacturing plant in Michigan on September 1 to streamline its operations in the United States.

The Nagoya-based machine tool maker said the plant being closed is the Howell Plant operated by the company's subsidiary, Toyoda Machinery USA of Arlington Heights, Illinois.

The company, a member of the Giant Toyota Group led by Toyota Motor Corp., said the shutdown of one of its three U.S. plants is the result of slowing demand for machine tools.

All 150 employees at the Howell, Michigan, plant will be laid off, the company said.

The factory has been operating since October 1988, turning out about 70 machining centers a year for delivery to aircraft and automobile manufacturers, including Toyota Motor's U.S. plants.

Firm Establishes Sales, Software Ties With PRC

*OW3007050691 Tokyo KYODO in English 0356 GMT
30 Jul 91*

[Text] Tokyo, July 30 KYODO—Sodick Co., a major Japanese maker of numerically controlled electrodischargers, has been awarded the right to exclusively sell electrodischarge machines (EDMs) to China, company officials said Tuesday.

The company has also established a joint venture with a research institute of Shanghai Jiaotong University for software development, the officials said.

Sodick will sell its EDMs through Hanchuan Sodick Technical Center, a tie-up between two affiliates of the Chinese Ministry of Machine-Building and Electronics Industry.

In return for the exclusive marketing right, Sodick will bear the costs involved in facilities installment, training, and maintenance at the center.

EDM's are metal cutting machines that use lasers for making dies and molds.

Sodick, which has so far sold 100-200 units of EDMs to China, estimates the deal, starting in late September, will boost its China-bound EDM annual shipments to 30-40 units.

The joint venture with Shanghai Jiaotong University Research Center, called Shanghai Sodick Software, will be capitalized at 140 million yen, owned 80 percent by Sodick and 20 percent by the Chinese.

The company will launch operations on August 1, with 20 development staff, all of them Chinese.

The company officials said the alliance came as a result of the dwindling population of computer software engineers

in Japan. In addition, they said, lower costs led the company to tap the Chinese labor market.

Battery Company To Boost Production in Asia

*OW2907015591 Tokyo KYODO in English 0107 GMT
29 Jul 91*

[Text] Tokyo, July 29 KYODO—Japan Storage Battery Co. will increase production of batteries for use in cars and motorbikes by 20 percent to 9,400,000 a year at its Southeast Asian bases, company officials said Monday.

A total of 1.3 billion yen will be invested to boost the production lines at its three joint ventures—P.T. G S Battery Co. in Indonesia, Ztong Yee Industrial Co. in Taiwan, and Siam G S Battery Co. in Thailand.

Demand for batteries is growing because of the increasing number of Japanese car and motorbike makers operating integrated production in these countries, the officials said.

The Southeast Asian bases will also be used for exports to Australia, Canada, and the Middle East, they said.

Japan Storage Battery has a 60 percent share of the battery market in Indonesia, and 35 percent in both Taiwan and Thailand.

Komatsu Helps ROK Firm Produce Miniexcavators

*OW2907004591 Tokyo KYODO in English 0003 GMT
29 Jul 91*

[Text] Tokyo, July 29 KYODO—Komatsu Ltd., a leading industrial machinery maker, will team up with the construction machinery unit of South Korea's Hyundai conglomerate for the production of hydraulic miniexcavators, an industrial newspaper reported Monday.

According to the report in the NIHON KOGYO SHIMBUN, Komatsu will provide manufacturing technology in September to the Hyundai subsidiary, which will produce and market hydraulic shovels under its brand name.

Monthly production is estimated at 100-200 units, according to the daily.

The alliance came in response to surging demand for construction machinery in South Korea. Despite the construction boom, the Seoul government is banning imports of Japanese-made machinery to nurture the domestic industry, the newspaper said.

North Korea

Foreign Ministry on Nuclear Free Zone Proposal

*SK3007004991 Pyongyang Korean Central
Broadcasting Network in Korean 2200 GMT 29 Jul 91*

[Statement by the DPRK Foreign Affairs Ministry in regard to the DPRK Government's new proposal for the denuclearization of the Korean peninsula]

[Text] Statement of the Ministry of Foreign Affairs of the DPRK:

Mankind's attention at the present time has been focused on reducing nuclear weapons, removing their danger, and preventing the proliferation of nuclear weapons on the earth. Because of the enormous nuclear weapons deployed in South Korea and their dangerous nature, the Korean peninsula has become a global focus.

The international reaction to the joint statement issued recently by political parties and public organizations of the DPRK vividly shows the concerns of the peace-loving people of the world about the growing nuclear threat on the Korean peninsula and their aspirations for denuclearization in this region.

Changes have taken place in the situation in many regions of the world today. However, only on the Korean peninsula has the situation been further aggravated, instead of being alleviated. This is totally because of the U.S. policy of nuclear threat against us and the existence of nuclear weapons.

The nuclear weapons deployed in South Korea not only have become a grave threat to the survival of our people, but also greatly endanger peace and security in Asia and the rest of the world.

Proceeding from the sacred desire to remove the danger of nuclear war on the Korean peninsula and to contribute to maintaining a durable peace in our country, Asia, and the rest of the world, the DPRK Government has already put forward peace proposals, including a proposal for establishing a nuclear-free, peace zone on the Korean peninsula, and it has made all possible sincere efforts for their realization.

Today's rapidly changing situation has defined the establishment of a nuclear-free zone on the Korean peninsula as a mature [songsuk daen] requirement that should no longer be delayed. Today's reality, where major nuclear-weapon-possessing countries—that thus far have made the Korean peninsula the operational area for their nuclear confrontation—are shifting from confrontation to cooperation by reaching an agreement on the reduction of nuclear weapons, has created a new objective possibility that can make the Korean peninsula a zone devoid of nuclear weapons.

The United States recently has clarified its stand that it will not oppose, in principle, the establishment of a nuclear-free zone as far as the countries concerned agree. It has also expressed support for the proposals for establishing a nuclear-free zone in the Middle East, South Asia, and Africa.

We believe that if the United States and the South Korean authorities unselfishly respond to our peace proposals and join our sincere efforts and the trend of the times to make the Korean peninsula a nuclear-free zone, the danger of a nuclear war on the Korean peninsula can be completely removed.

With such expectation and firm conviction the DPRK Government puts forward the following new proposals for the denuclearization on the Korean peninsula:

1. The North and the South of Korea should agree to establish and jointly declare a nuclear-free zone on the Korean peninsula.

The North and the South should negotiate all legal and practical issues in connection with turning the Korean peninsula into a nuclear-free zone. Thus, we claim that, no later than the end of 1992, the North and the South should adopt a joint declaration which has a legal validity.

We stress that included in the joint statement should be a ban on the North and the South experimenting, producing, and possessing nuclear weapons; a ban on the North and the South deploying or introducing nuclear weapons within the nuclear-free zone on the Korean peninsula; a ban on the North and the South conducting military exercise in the zone; and verification of the nuclear-free situation through inspection of nuclear weapons in the North and the South.

2. The United States, and the Soviet Union and China, which are nuclear weapon possession states in the neighborhood of the Korean peninsula, should legally guarantee the nuclear-free status of the Korean peninsula, once an agreement is reached and a declaration adopted.

Above all, those countries, which possess nuclear weapons, should not prevent the Korean peninsula from being turned into a nuclear-free zone and should express their readiness to guarantee the status of turning the Korean peninsula into a nuclear-free zone. By so doing, they should accelerate the process of establishing a nuclear-free zone on the Korean peninsula.

In addition, those countries, which possess nuclear weapons, within a year after the North and the South of Korea jointly declare the establishment of a nuclear-free zone, should guarantee the removal of all factors contravening the status of turning the Korean peninsula into a nuclear-free zone. In addition, they should promise not to use nuclear weapons according to the demand of international law and not threaten the Korean peninsula with nuclear weapons.

In particular, the United States, as the party responsible for deploying nuclear weapons in South Korea, should take a measure to withdraw its nuclear weapons in accordance with the demand of turning the Korean peninsula into a nuclear-free zone.

3. Those Asian countries, which do not possess nuclear weapons, should support the issue of turning the Korean peninsula into a nuclear-free zone and should respect its status.

The DPRK Government, to negotiate establishing a nuclear-free zone on the Korean peninsula, is ready to hold bilateral or multilateral negotiations at any time.

This proposal has important meaning in removing a nuclear threat against us and in strengthening a nuclear nonproliferation system on the Korean peninsula. In addition, this proposal will practically make a contribution to consolidating peace and security in Asia and the world.

If a nuclear-free zone is established on the Korean peninsula, a phase favorable for establishing a nuclear-free zone in the Northeast Asian district will be created, thus a base capable of expanding a nuclear-free zone to Northeast Asia will be laid.

The DPRK Government solemnly declares at home and abroad that, proceeding from its antinuclear and peace-loving policy, the DPRK is entirely ready to turn the Korean peninsula into a nuclear-free zone.

30 July, 1991 Pyongyang

Embassy in China Comments

*SK3007150091 Pyongyang Korean Central
Broadcasting Network in Korean 1300 GMT 30 Jul 91*

[Text] Concerning the publication of the DPRK Foreign Ministry statement which contained a new proposal for converting the Korean peninsula into a nuclear-free zone, our country's embassy in China held a news conference today.

Attending the news conference were Chinese reporters from newspapers, news agencies, and broadcasting stations, as well as foreign correspondents based in Beijing.

Pae Yong-chae, charge d'affaires of the DPRK Embassy in China, spoke at the news conference.

Stating that attention is focused on reducing nuclear weapons on earth, on removing their danger, and on preventing their proliferation, he said: Because of about 1,700 units of nuclear weapons deployed in South Korea and their danger, the Korean peninsula is the focus of global attention.

Although changes have occurred in the situation in many places throughout the world, the situation on the Korean peninsula is becoming more strained instead of becoming stable. This is entirely thanks to the U.S. policy of threatening us with nuclear weapons.

Nuclear weapons deployed in South Korea are a serious threat to our people's survival and, at the same time, pose a great danger to peace and stability in Asia and the whole world.

The DPRK Government has long proposed a host of peace proposals, including one for creating a nuclear-free peace zone on the Korean peninsula, out of a noble desire to remove the danger of nuclear war from the Korean peninsula and contribute to durable peace and stability in our country, Asia, and the world. It has been making every sincere effort possible to realize this.

Today's changing situation makes the creation of a nuclear-free zone on the Korean peninsula a pressing demand which cannot be postponed any longer.

We think that if the United States and the South Korean authorities accept our peace proposal impartially and join in our serious effort to turn the Korean peninsula into a nuclear-free zone, and if they join the current trends, we will be able to rid the Korean peninsula of the source of the danger of a nuclear war.

After introducing the contents of the new proposal put forward by the DPRK in the Foreign Ministry statement for turning the Korean peninsula into a nuclear-free zone, he stressed: Our new proposal is a just proposal, proceeding as it does from a desire to completely remove from the Korean peninsula the elements of nuclear threat that are related to the survival of our people according to the aspirations of human beings whose attention is riveted on the international trends toward arms reduction and the creation of nuclear-free zones.

At the same time, this proposal is significant in removing the nuclear threat to us and in strengthening the nuclear non-proliferation system on the Korean peninsula. Going one step further, it will contribute practically to consolidating peace and stability in Asia and the whole world.

If and when the creation of a nuclear-free zone on the Korean peninsula is realized, it will lead to a phase favorable to creating a nuclear-free zone in Northeast Asia, and a base capable of expanding a nuclear-free zone into the Northeast Asia will be laid.

He then stated that the DPRK Government, proceeding from its own antinuclear peace policy, is ready to take every step necessary to convert the Korean peninsula into a nuclear-free zone.

After that, he answered reporters' questions.

Daily Urges Withdrawal of U.S. Nuclear Weapons

*SK2707090291 Pyongyang Korean Central
Broadcasting Network in Korean 0013 GMT 27 Jul 91*

[NODONG SINMUN 27 July editorial: "U.S. Imperialists Must Immediately Withdraw Nuclear Weapons and Their Aggressor Forces From South Korea"]

[Text] Today is the 38th anniversary of the historic victory won by our people in the Fatherland Liberation War. The three-year-long war, which was enforced by the U.S. imperialists and their stooges, was a rigorous war for our people, deciding the life and death of the nation.

Under the outstanding and tested leadership of the respected leader Comrade Kim Il-song—the anti-Japanese legendary hero, ever-victorious iron-willed commander, and great military strategist—our people and officers and men of the People's Army, unanimously rising in the sacred struggle to defend the fatherland and revolutionary gains, fought heroically. As a result, we inflicted disgraceful defeat upon the U.S. imperialist aggressors and their stooges by overcoming difficult trials in the war and won the historic victory in the Fatherland Liberation War.

The victory won by our people in the Fatherland Liberation War was a brilliant victory of the great military ideas and outstanding military arts of the respected leader Comrade Kim Il-song and was a great demonstration of the indomitable might of our people and People's Army who are firmly rallied behind the party and the leader.

By attaining the great victory in the Fatherland Liberation War, our people and People's Army shattered the myth

about the powerfulness of the U.S. imperialists for the first time in history and opened the beginning of the U.S. imperialists' decline.

From when the boom of guns stopped in Korea to the present, our party and the Government of our Republic have made every sincere effort to turn the armistice into a durable peace and achieve the reunification of the divided fatherland.

Even in recent years, we put forward the proposal for tripartite talks, the proposal for multinational disarmament talks, the proposal for making the Korean peninsula a nuclear-free peace zone, the comprehensive peace proposal, and many other peace proposals. In addition, we mobilized soldiers of the People's Army in peaceful construction and took the initiative in unilaterally cutting the armed forces.

Early this year, in particular, we put forward a new epochal negotiation proposal for holding a political consultative conference for national reunification, in which delegations of the authorities, political parties, and public organizations in the North and the South will participate to reach a pan-national agreement on the method of national reunification. We are making every possible effort to realize this proposal.

The struggle for peace and peaceful reunification of the country has been persistently waged among the South Korean people and overseas compatriots.

Today the movement for national reunification has become a torrential trend of the nation which no one can block and halt.

However, the desire of our people for durable peace and the peaceful reunification of the nation has not been realized up to now and peace on the Korean peninsula is threatened more gravely with each passing day.

This is attributed to the U.S. imperialists' occupation of South Korea, to the policy of aggression, and to the antipeace and antireunification maneuvers of the South Korean puppets.

The great leader Comrade Kim Il-song has taught: Because of new war provocation maneuvers of the U.S. imperialists and South Korean military fascist elements, today our country's situation has been strained to an extreme point and our nation is in a dangerous situation in which a war may break out any moment.

With the ambition to invade the northern half of the Republic and the Asian continent by using South Korea as a steppingstone, the U.S. imperialists are reinforcing the aggressor forces in South Korea and more undisguisedly perpetrating new war provocation maneuvers.

Today South Korea has been reduced to the largest U.S. nuclear advance base in the Far East, which is filled with more than 1,000 nuclear weapons and their delivery means. The U.S. imperialists and the puppets have drawn

up a northward nuclear war plan and are staging a large-scale military exercise each year to complete the preparations for nuclear war, thus instigating war frenzy in South Korea.

The 'Team Spirit' joint military exercise, which the U.S. imperialists and the puppets stage every year across South Korea in defiance of the strong protest and denunciation of the people at home and abroad, is a preliminary war and test nuclear war designed to launch a surprise attack on the northern half of our Republic.

In particular, even after the 'Team Spirit' war exercise this year, the U.S. imperialists dragged strategic bombers and fighter-bombers into South Korea from overseas bases of aggression and each day are playing with fire in their attempts to make a surprise attack on our frontline and rear areas. They are also repeatedly committing grave military provocations on the Military Demarcation Line [MDL].

Furthermore, the U.S. imperialists, who became more arrogant through the Persian Gulf war, are running amok with groundless smear propaganda against us to find an excuse for a new war on the Korean peninsula. They undisguisedly launch even the nuclear threat and menace.

As has been known, the U.S. imperialists raved that the area in which the danger of conflict is greatest in the world after the Persian Gulf area is the Korean peninsula. They have even drawn up a war scenario and are frantically running amok with anti-Republic maneuvers on the ridiculous pretext of someone else's nonexistent development of nuclear weapons.

The puppet military heads even made absurd remarks that they will make a surprise attack on nuclear facilities in the North. This clearly shows that the U.S. imperialists and the South Korean puppets are attempting to continuously deploy nuclear weapons in South Korea using us as a pretext to further accelerate the preparations for nuclear war and provoke a new northward nuclear aggressive war under the signboards of peace by repeatedly staging smear and slanderous propaganda.

To carry out the criminal two Koreas policy and war policy, the U.S. imperialists are implementing the most vicious military fascist rule in South Korea.

Under the U.S. imperialists' instigation, the No Tae-u military fascist clique even refused to adopt a North-South nonaggression declaration and are pursuing confrontation with us. While implementing the fascist security-oriented rule, the No Tae-u group is brutally repressing and massacring the South Korean youths, students, and people who rose in the just struggle for independence, democracy, and reunification by labeling them as pro-leftist and pro-communist forces.

In particular, the South Korean puppets raved that they would not allow the '91 pannational rally and the great reunification festival of youths and students—which have been prepared amid the interest of the entire nation—and indiscriminately arrested and imprisoned figures of related organizations including the Pannational Alliance for

National Reunification and National Council of University Student Representatives.

This shows that the remarks about the great reunification march and so forth, loudly talked about by the No Tae-u group, are another political drama designed to rupture the '91 pannational rally and great reunification festival of youths and students and that the No Tae-u group has only the ambition for reunification through victory over communists and through North-South confrontation and war.

As long as U.S. imperialist aggressor forces remain in South Korea and continue to stage war maneuvers and as long as the No Tae-u group's fascist murderous rule continues, durable peace on the Korean peninsula cannot be guaranteed, the national sovereignty of the South Korean people and democracy cannot be realized, and the nation's reunification cannot be achieved.

Today the dark clouds of nuclear war hang heavy over the Korean peninsula and a dangerous situation in which nuclear war may break out even by an accident has been created.

This situation evokes the great concern of all Korean people who desire national reunification and the world's people who aspire to peace.

It is an urgent demand, which should not be delayed any longer, to prevent the danger of war and guarantee peace. To ease tension on the Korean peninsula, to realize durable peace, and to provide a turn favorable to the peaceful reunification, a peace agreement should be concluded between us and the United States, who are the very parties directly related to the armistice agreement; a non-aggression declaration should be adopted between the North and the South; and the Korean peninsula should be turned into a nuclear-free, peace zone.

The U.S. imperialists should discard the anachronistic and adventurous nuclear war commotions and conclude a peace agreement with us. They should immediately withdraw aggressor forces and nuclear weapons from South Korea.

If the South Korean authorities truly want peace and reunification, they should give up antinational maneuvers to drive fellow countrymen into nuclear calamity and call for the withdrawal of U.S. troops and nuclear weapons. They should discard the policy of anticommunist and anti-North confrontation and suspend repressing the patriotic reunification figures. They should step forth onto the road of cooperation so that the second pannational rally and the great reunification festival of the youth and students can be held successfully.

Those who should prevent nuclear war on the Korean peninsula and achieve the peaceful reunification are none other than our people ourselves. No one else can bring peace and reunification to our people. Peace and reunification should be achieved only through our people's united strength.

The South Korean youths, students, and people from all walks of life should not have any illusion about the U.S.

imperialists and the No Tae-u group but should firmly unite. They should more persistently wage the struggle to force the U.S. troops and nuclear weapons to withdraw from South Korea, to end the fascist security-oriented rule, and to achieve peace and reunification of the nation.

The U.S. imperialists and their stooges will get weak-kneed [maek motchuda] in the presence of all the Korean people in the North, the South, and overseas if they rise in the struggle to check and frustrate the reckless nuclear war provocation maneuvers of the U.S. imperialists and the No Tae-u group, to make the Korean peninsula a nuclear-free peace zone, and to achieve the independent and peaceful reunification of the nation.

During the period of anti-U.S. joint struggle month this year, a broad range of the people of the world condemned and denounced the new war provocation maneuvers of the U.S. imperialists and the puppets and extended active support and encouragement to our people's just struggle for peace and reunification of the nation.

With the support and encouragement from peace-loving people of the world, our people will, in the future too, more vigorously carry out the sacred struggle to ensure durable peace on the Korean peninsula and to defend peace in Asia and in the world.

It is the firm will of the Korean people to achieve the reunification of the divided country in the nineties without fail by preventing war and maintaining peace on the Korean peninsula.

Let us all vigorously march and fight to expedite the national reunification in firm unity with the great leader Comrade Kim Il-song and dear leader Comrade Kim Chong-il by removing the danger of war casting a shadow over the Korean peninsula and by ensuring peace.

Chuche Organizations Urged To 'Merge' Voices

*SK2907082391 Pyongyang KCNA in English
0511 GMT 29 Jul 91*

[Text] Pyongyang July 29 (KCNA)—The Asian Regional Institute of the Chuche Idea in a statement on July 20 denounced the South Korean authorities for creating big obstacles in the way of Korea's reunification and suppressing woman student Yim Su-yong and the Rev. Mun Ik-hwan who had visited the northern half of the country to share the desire for reunification and the feelings of kinship.

Noting that discussion of the reunification question of the divided country by Korean nationals can never be regarded as a crime, the statement strongly demanded an immediate release of coed Yim and Rev. Mun.

The group for the study of the chuche idea of the Latin Americans in Geneva and the committee of the Latin Americans in Geneva for supporting Korea's reunification on July 20 adopted an appeal to organizations for solidarity with the Korean people and international human rights organizations, which said that today when the South Korean authorities themselves are vociferating about

"exchange" between the North and the South and "reunification", there is no reason or ground to keep the messengers of reunification behind bars.

The behavior of the South Korean authorities is not only contradictory to the unanimous desire of the entire Korean people for national reunification but also a wanton violation of the world declaration of human rights and the international law on political rights, the appeal noted, and stressed:

We demand the South Korean authorities unconditionally and immediately release Rev. Mun and coed Yim and all other unwarrantably arrested South Korean democrats and call upon the church idea study organizations and the organizations for solidarity with the Korean people in the world and human rights organizations to merge their voices in this demand of ours.

Delegates to Reunification Festival Nominated

*SK2707061891 Pyongyang KCNA in English
0448 GMT 27 Jul 91*

[Text] Pyongyang July 27 (KCNA)—Nomination of North side's delegates to the grand August 15 reunification festival of students in the North, the South and overseas took place at universities of the northern half of the country.

Excellent students were nominated as delegates to the festival.

On the 26th, a plenary meeting of students was held at Kim Il-song University to select delegates.

Addressing the meeting Kim Su-san, chairman of the students committee of the university, said the forthcoming festival will be a great event holding a brilliant place in the 5,000-year long history of the nation and in the history of the Korean people's struggle for reunification. All the students, deeply conscious of their honorable mission as students of Kim Il-song University, should take the van in the students' struggle for national reunification and play a leading role in successfully holding the grand festival, thus performing their duty and role for the times and the nation, he stressed.

Delegate to the festival Um Chong-chol, a student of the Korean Linguistics Department, took the floor to express his firm resolution. He said he will take an active part, with great ardor for reunification, in the Paektu-Halla grand march and all other functions to be held in different places including Panmunjom and Seoul and thus live up to the aspiration and expectation of the fellow students without fail and make a contribution to the acceleration of the reunification of the country, the cherished desire of the nation.

'Scholars' Request Future Passage to South

*SK2707105191 Pyongyang KCNA in English
1026 GMT 27 Jul 91*

[Text] Pyongyang July 27 (KCNA)—Kim Chang-won, director of the Philosophical Institute of the Academy of Social Sciences of the DPRK, today sent a telephone

message to Choe Ho-chung, "deputy prime minister and minister of the Unification Board" of South Korea.

In the message he notified Choe that a letter saying a delegation of scholars of the North side will go to participate in a "meeting of Korean scholars" at the invitation of the preparatory committee of the South side would be handed over to the South side at Panmunjom on July 30.

In this regard, I hope your side will hand over to us a note of guarantee for the personal safety of 10 scholars, five support personnel and five reporters of our side who are supposed to enter your side's area on August 20 and, at the same time, afford conveniences to them, says the message.

Catholics Meet for Release of South Prisoners

*SK2907070591 Pyongyang KCNA in English
0533 GMT 29 Jul 91*

[Text] Pyongyang July 29 (KCNA)—A special prayer meeting of Korean Roman Catholics was held at the Changchung Cathedral here on July 28 to urge an immediate release of Yim Su-kyong, Father Mun Kyu-hyon and other patriotic messengers of reunification.

Mun Chang-hak, vice-chairman of the Central Committee of the Korean Roman Catholics Association, gave a sermon at the prayer meeting.

He charged that the South Korean authorities threw behind bars Yim Su-kyong, the "flower of reunification," and Father Mun Kyu-hyon who are known to the whole world by invoking fascist law and have been persecuting them for two years now.

He criticized this as an act of strangling human beings which could be committed only by bandits of a lawless satanic den where vice oppresses virtue, injustice stifles justice, and treachery tries and punishes patriotism.

If the South Korean authorities really intend to achieve national concord, unity and reunification, he stressed, they must not block the way to the South of the consolatory team of school youth and children and the consolatory team of different circles of personages who are carrying warm compatriotic sentiments toward the pro-reunification patriotic figures.

Mun Chang-hak strongly demanded that the South Korean authorities look squarely at the trend of the times and unconditionally and immediately release the illegally arrested pro-reunification patriotic figures and scrap without delay all the fascist laws including the "National Security Law," an anti-reunification evil law.

He expressed the hope that all the fellow believers in the North and South and overseas will wage the struggle for the release of Yim Su-kyong, Father Mun Kyu-hyon and other pro-reunification patriots in combination with the struggle for national reunification and that the fellow believers in all countries will join in this righteous struggle.

U.S., South Stage Military Exercises 25-28 Jul

*SK3007065091 Pyongyang KCNA in English
0454 GMT 30 Jul 91*

[Text] Pyongyang July 30 (KCNA)—The U.S. imperialist aggressors on July 28 staged a joint aerial war exercise against the North aimed at mounting a surprise nuclear attack with the Korean peninsula as a theatre of operation, according to military sources.

Mobilized in this exercise in the skies above Oeyon and Anmyon Islets that day which resembled a real war were formations of nuclear-capable F-16 fighter-bombers based in Japan proper and the Pacific and formations of F-16s, assault, observation and reconnaissance planes belonging to the U.S. Airforce present in South Korea.

Earlier, on July 27, formations of F-16s of the U.S. Seventh Airforce staged a nighttime war exercise for a continuous surprise attack on targets, making a surprise ultra-low and low-altitude flight to the sky above the Kangnung area from the sky above the East Sea of Korea at an interval of one minute.

In separate action, the South Korean puppets ran amok in their provocative war games against the North in the sky, on the ground and in the seas.

On July 26, formations of armed helicopters which made a sortie into the sky above Chongja-ri, Paju County, an area near the military demarcation line, staged an air strike and take-off and landing exercise aimed at infiltrating into the depths of our side under our very eyes.

On July 25, groups of 105 mm guns concentrated in Chukhyon-ri, Paju County, fired shells at random into an area of Kogok-ri of the same county on the opposite bank of the Imjin River. And those who took position in the area near Nosang-ri kicked up a row, firing scores of bullets from M-16 automatic rifles.

Reaction Noted to U.S. Claims of Missile Sales

*SK2807083791 Pyongyang KCNA in English
0815 GMT 28 Jul 91*

[Text] Pyongyang July 28 (KCNA)—The U.S. undersecretary of state for international strategic affairs was reported to have told a meeting of the U.S. House Foreign Affairs Committee on July 26 that the DPRK has rapidly emerged as an international arms dealer that sells missiles worldwide and that it causes deepest concern of the United States.

He is just like a thief crying "stop thief."

The world public circles clearly know that the U.S. imperialists are the biggest armsdealer in the world who aggravate the tensions everywhere behind the curtain of "peace" and "disarmament."

Last year, the United States sold a total of 30 billion dollars worth of missiles, fighter planes, tanks, radar commanding system and other weapons. It published its plan to sell 24 billion dollars worth of weapons to Middle East countries in June this year and to sell nearly four billion

dollars worth of 120 F-16s to the South Korean puppets in July. It plans to sell 33 billion dollars worth of lethal weapons to Middle East countries next year.

Nevertheless, the U.S. authorities raise a hue and cry over the fiction of someone's "sales of missiles." This is a preposterous and foolish fabrication to mislead world opinion, impair the international image of the DPRK, disparage the dignity and prestige of the DPRK and conceal their true colour as the biggest arms dealer in the world.

The U.S. authorities must discard the habitual method of slandering others and act with discretion.

Friendship Delegation Returns From PRC

*SK2907050191 Pyongyang Korean Central
Broadcasting Network in Korean 1300 GMT 21 Jul 91*

[Text] A North Pyongan provincial friendship delegation led by Paek Man-su, vice chairman of the Administrative and Economic Guidance Committee of North Pyongan Province returned home today after visiting Liaoning Province of China.

Officials, Chinese Lay Wreaths at Cemeteries

*SK2807084491 Pyongyang KCNA in English
0805 GMT 28 Jul 91*

[Text] Pyongyang July 28 (KCNA)—The members of our side to the Military Armistice Commission and of the delegation of the Chinese People's Volunteers [CPV] laid wreaths in the cemeteries of the Korean People's Army [KPA] and the Chinese People's Volunteers in Kaesong on July 26 on the occasion of the 38th anniversary of the victory of the Great Fatherland Liberation War.

The participants observed a moment's silence in memory of the fallen fighters after laying wreaths.

North Leader of MAC Hosts Party for Chinese

*SK2807084791 Pyongyang KCNA in English
0806 GMT 28 Jul 91*

[Text] Pyongyang July 28 (KCNA)—Major General Choe Ui-ung, senior member of our side to the Military Armistice Commission [MAC], gave a party on July 26 on the occasion of the 38th anniversary of the victory of the Great Fatherland Liberation war.

Invited there were the members of the delegation of the Chinese People's Volunteers of the Korean-Chinese side to the Military Armistice Commission.

Speeches were made at the party which proceeded in a friendly atmosphere.

USSR Delegation Brings Gift for Kim Chong-il

*SK2707062291 Pyongyang KCNA in English
0443 GMT 27 Jul 91*

[Text] Pyongyang July 27 (KCNA)—The dear leader Comrade Kim Chong-il received a gift from the delegation of Korean veterans in the Soviet Union on a visit to the homeland.

The gift was handed to an official concerned Friday by head of the delegation Hwang Song-pok, chairman of the Association of Korean Veterans in the Soviet Union.

Danish, Pakistani, Soviet Delegations Arrive

SK2807100191 Pyongyang KCNA in English
0834 GMT 28 Jul 91

[Text] Pyongyang July 28 (KCNA)—A delegation of the Social Democratic Party of Denmark led by Mogens Lykketoft, spokesman for political and economic policy of the party, a delegation of the Ministry of Information and Broadcasting of Pakistan headed by Hassan Raza Pasha, assistant secretary of the Ministry, and internationalist soldier Ya. T. Novichenko and his entourage arrived here on July 27.

Visiting Soviet 'Internationalist Soldier' Feted

SK2807104891 Pyongyang KCNA in English
0843 GMT 28 Jul 91

[Text] Pyongyang July 28 (KCNA)—The Central Committee of the Workers' Party of Korea [WPK] hosted a reception Saturday for the internationalist soldier, Ya. T. Novichenko and his entourage on a visit to Korea.

Speaking at the reception, Kang Sok-sung, director of the party history institute of the WPK Central Committee, said: Ya. T. Novichenko is one of the Soviet soldiers and officers who had performed feats in the final battle to wipe out the Japanese imperialist aggression forces and a true internationalist soldier who safeguarded with his unexcelled heroism and self-sacrificing spirit the brain of the Korean revolution from the maneuverings of the class enemies while helping the Korean people in building a new country after the liberation.

His praiseworthy deeds will remain in the memory of our people for ever and shine long in the annals of friendship between the two countries, he added.

Ya. T. Novichenko, speaking next, said that the Korean people, under the leadership of the Workers' Party of Korea headed by Comrade Kim Il-song, have wrought miracles beyond imagination in a short period. High is the spirit of hard work of workers, peasants and all other working people in Korea, he noted, and said: The Korean people led by the Workers' Party of Korea can do anything when they are determined to do.

Novichenko hoped that the Soviet-Korean relations would develop more favourably in the future.

Japanese Local Groups Urge 'Early' Relations

SK2707052091 Pyongyang KCNA in English
0431 GMT 27 Jul 91

[“Early Normalisation of Japan-DPRK Diplomatic Relations Urged”—KCNA headline]

[Text] Tokyo July 25 (KNS-KCNA)—Local assemblies in Mie, Akida and other prefectures of Japan adopted recommendations urging an early normalisation of Japan-DPRK diplomatic relations. The recommendations were adopted

by the prefectural assembly and 27 city, cho [block] and mura [town] assemblies in Mie Prefecture and the prefectural assembly and 16 city, cho and mura assemblies in Akida Prefecture from June to July 17.

Noting that the normalisation of diplomatic relations between Japan and the DPRK is in the interest of the two peoples and would contribute to peace in Asia and the world, they urged the Japanese Government to make efforts to realise it.

Meanwhile, a recent regular meeting of the Fuji general branch of the Japan Social-Democratic Party in Shizuoka Prefecture adopted a resolution.

The resolution said improvement of relations and strengthening of friendship between Japan and the DPRK are what the two peoples hope for and the times require, and strongly urged the Japanese Government to strive to normalise the Japan-DPRK diplomatic relations at an early date and settle the pending issues on the basis of the joint declaration of the three parties.

Japan 'Friendship Boat' Group Arrives in Wonsan

SK2907082191 Pyongyang KCNA in English
0555 GMT 29 Jul 91

[Text] Pyongyang July 29 (KCNA)—A “Japan-Korea friendship boat” visiting group arrived in Wonsan on July 28 by the ship Samjiyon.

The visiting group, with Motofumi Makieda, representative member of the Japan Committee for Supporting Korea's Reunification who was chairman of the former General Council of Trade Unions of Japan (Sohyo), as its general head consists of personages of broad strata including members of the Japan-Korea Cultural Interchange Association, the Japanese Teachers' Society for the Study of the Chuche Idea and the Japan Committee for Supporting Korea's Reunification.

They were accorded warm welcome by working people in Wonsan.

Set up amidst the welcomers were slogan boards reading “Warm welcome to the ‘Japan-Korea friendship boat’ visiting group!” and “Long live friendship between the Korean and Japanese peoples!”

The guests were met at the wharf by Yi Chol-sin, vice-chairman of the Korean Society for Cultural Relations with Foreign Countries, Yi Chong-il, vice-chairman of the Kangwon Provincial Administration and Economic Guidance Committee, and other officials concerned.

Speaking at a welcome meeting held at the wharf, the general head of the group said the development of Korean socialism showing the greatness of the chuche idea founded by President Kim Il-song has given them new understanding.

Noting that the attitude taken by the Japanese Government at the intergovernmental talks for the normalization of Japan-DPRK diplomatic relations after the adoption of the joint declaration of the three parties is intended to

deliberately delay the talks, he said they feel disgrace and resentment at this attitude of the Japanese Government.

We will more briskly conduct the solidarity movement for frustrating the attempts to obstruct the independent and peaceful reunification of Korea and the normalization of Japan-DPRK diplomatic relations, he stressed.

Cambodia's Hun Sen Sends Thanks to Kim Il-song

SK2807113891 *Pyongyang Korean Central*
Broadcasting Network in Korean 2100 GMT 22 Jul 91

[Text] Hun Sen, premier of the state of Cambodia and member of the Supreme National Council [SNC] of Cambodia, sent a letter of thanks to the great leader Comrade Kim Il-song upon departing Pyongyang.

The letter of thanks reads:

To His Excellency Marshal Kim Il-song, President of the DPRK:

His Excellency great leader, the respected leader of the Korean people;

After completing a short stay in the DPRK, I am greatly honored to express our deep thanks, in the name of my comrades, the members of the SNC, to Your Excellency great leader, the respected leader of the Korean people, for according us warm hospitality and good wishes.

During our visit, which was realized thanks to the help of His Royal Highness Samdech Norodom Sihanouk, we witnessed great successes attained by the courageous people of the DPRK under the wisest leadership of Your Excellency great leader. We highly appraise them.

Your Excellency gave us honor by personally receiving us. The lofty and wise remarks you made for us were a precious encouragement for achieving national reconciliation in Cambodia. I invariably cherish the sense of everlasting friendship between the Cambodian people and the heroic people of the DPRK.

I wish to assure you that we hope the Korean people will achieve reunification in the near future.

I firmly believe that the friendship, unity, and multilateral cooperation that were forged between our two countries a long time ago thanks to the effort of His Royal Highness Samdech Norodom Sihanouk will be further strengthened and developed for the happiness and prosperity of our two countries' people.

I express loftiest respect to Your Excellency together with the sense of greatest reverence.

Hun Sen, Premier of the State of Cambodia and member of Cambodia's SNC.
22 July 1991, Pyongyang

Kim Tal-hyon, Economic Delegates Leave for Iran

SK2707105591 *Pyongyang KCNA in English*
1029 GMT 27 Jul 91

[Text] Pyongyang July 27 (KCNA)—A government economic delegation of Korea led by Vice-Premier and

chairman of the External Economic Commission Kim Tal-hyon left here today for a visit to Iran.

It was seen off at the airport by Minister of External Economic Affairs Chong Song-nam and Charge d'Affaires ad Interim of the Iranian Embassy here Hamid Malek-Abadi.

Iran's Velayati Supports Decision To Join UN

SK2707051891 *Pyongyang KCNA in English*
0425 GMT 27 Jul 91

["DPRK's Decision To Join U.N. Supported by Iranian Foreign Minister"—KCNA headline]

[Text] Pyongyang July 27 (KCNA)—Iranian Foreign Minister Ali Akbar Velayati in a solidarity letter addressed to Foreign Minister Kim Yong-nam expressed support to the stand of the Democratic People's Republic of Korea in regard to the question of entering the United Nations.

The letter emphasized that the decision of the DPRK to join the U.N. constitutes a historical step that will contribute to promoting the reunification of Korea and achieving peace on the Korean peninsula.

The letter expressed the conviction that the wide-range friendly relations existing between the Islamic Republic of Iran and the Democratic People's Republic of Korea will be a solid basis in developing a close relationship between the two countries in the United Nations.

Yon Hyong-muk Greets Egyptian Counterpart

SK2907051291 *Pyongyang Korean Central*
Broadcasting Network in Korean 1300 GMT 23 Jul 91

[Text] Yon Hyong-muk, premier of the State Administration Council, sent a message of congratulations to Prime Minister of the Arab Republic of Egypt.

The message expressed warm congratulations to the Egyptian people on the occasion of the 39th anniversary of the 23 July Revolution, a national festive day of the Egyptian people. Expressing the firm belief that relations of friendship and cooperation between the two countries will further strengthen and develop in the future, the message wished the Egyptian prime minister great success in his work for the country's prosperity.

Kim Yong-nam Congratulates Syrian Counterpart

SK2707051191 *Pyongyang KCNA in English*
0431 GMT 27 Jul 91

[Text] Pyongyang July 27 (KCNA)—DPRK Foreign Minister Kim Yong-nam and his Syrian counterpart Faruq al-Shar' exchanged congratulatory messages on the 25th anniversary of the establishment of diplomatic relations between the two countries.

The DPRK foreign minister said that over the past 25 years since the establishment of diplomatic relations, the friendly and cooperative relations between the two countries have developed excellently in various fields.

He expressed his firm belief that these relations would grow stronger and develop in the joint struggle against imperialism and Zionism and for independence, peace and friendship.

The Syrian foreign minister said the friendly and cooperative relations between the two peoples which had positively developed in all fields would develop on closer and constructive terms.

He highly praised the DPRK's stand in continuously supporting Syria's just cause and wished the friendly Korean people greater progress and prosperity.

Cha Pong-chu Sees Off Indian Delegation 23 Jul

*SK2907051091 Pyongyang Korean Central
Broadcasting Network in Korean 1300 GMT 23 Jul 91*

[Text] A Government delegation of the Republic of India led by L. L. Mehrotra, secretary of the Foreign Ministry, left today by plane. The delegation was seen off at the airport by Cha Pong-chu, vice foreign minister, and Shekhholen Kipgen, Indian Ambassador to our country.

Kim Ki-yong Sees Off Nigerian Delegation

*SK2907051591 Pyongyang Korean Central
Broadcasting Network in Korean 1300 GMT 23 Jul 91*

[Text] A delegation of the Nigerian Government led by Alex Akinyele, minister of information, left today by plane. The delegation was seen off at the airport by Kim Ki-yong, chairman of the DPRK Information Committee, and Olugbenga Ayodeji Ashiru, Nigerian ambassador to our country.

Chang Chol Fetes Athletes From Universiad

*SK2807095491 Pyongyang KCNA in English
0821 GMT 28 Jul 91*

[Text] Pyongyang July 28 (KCNA)—The Administration Council arranged a party at the Chongchun Restaurant Saturday for the athletes who had participated in the 16th Universiad.

Vice-Premier Chang Chol, chairman of the State Commission of Sports and Physical Culture Kim Yu-sun, and other officials concerned were present at the party together with the players.

At the Universiad, DPRK clinched 11 gold, 3 silver and 5 bronze medals.

Talk on Pioneering, Advance of Chuche Cause

*SK2807023791 Pyongyang Korean Central
Broadcasting Network in Korean 0600 GMT 21 Jul 91*

[Unattributed Talk: "Respected and Beloved Comrade Kim Il-song Is Great Leader Who Pioneers and Leads Chuche Cause."]

[Text] The Korean revolution for the implementation of the chuche cause has traveled the long road of victory for more than 60 years. The road of victory in the Korean revolution is a proud chronicle in which the great leader

Comrade Kim Il-song has created the chuche idea and in which he, under the banner of the chuche idea, opened a new era of creation and reforms to realize the aspirations of the nation and the ideals of the popular masses.

The respected and beloved Comrade Kim Il-song is the great sun of the nation who has carried out the historic cause of national liberation by pioneering the chuche-oriented revolutionary cause.

The cause of the working class is pioneered by the leader and travels the road of victory. The great leader of the working class creates the ideology and theory of revolution representing the times and travels the road of victory of the revolution by organizing and mobilizing the masses to struggle for revolution after arousing their consciousness and rallying them into organizations.

At a time when our people were desperately awaiting the advent of the great leader, the respected and beloved Comrade Kim Il-song, personally complying with the urgent demand of the times and cherishing his aspirations for the people, stood in the forefront of the revolution and pioneered the genuine road ahead of the Korean revolution.

The great leader Comrade Kim Il-song, by comprehensively analyzing and summing up lessons learned from the precedent movement for nationalism and original communist movement, pioneered a new road of revolution, that is, the road on which the revolution is pushed ahead on the strength of the popular masses and on which one carries out the revolution of one's country in a responsible manner.

The great leader Comrade Kim Il-song has indicated: "The new generation of genuine Korean communists has learned a serious lesson from the precedent movement for nationalism and original communist movement and, with a new revolutionary outlook on the world, has chosen the road of revolution, which is quietly different from what the nationalists and original communists had chosen.

The revolution's direction is a basic issue to determine the prospect of revolution and the destinies of the popular masses. Delving deep into the weak points and limitations of the precedent movement for nationalism and original communist movement and into the demands of the times and revolution, the respected and beloved leader Comrade Kim Il-song originated the chuche cause—the original path to independently develop our revolution.

The chuche cause which the great leader Comrade Kim Il-song creatively pioneered is the cause of the popular masses, which is pioneered and developed under the banner of the chuche idea. In addition, this is a sacred cause to realize the independence of the popular masses by embodying the chuche idea.

The chuche cause, first of all, considers the chuche idea as a leading guide. And this is the great cause of our time to embody the chuche idea. The greatness of the revolutionary cause lies in the greatness of the leading ideology. The chuche idea has become the great cause which opens the genuine path of national liberation, class liberation,

and human liberation because it is carried out solely under the banner of the *chuche* idea.

In addition, the *chuche* idea transforms nature and society and remolds the ideology of the people as demanded by the *chuche* idea. By so doing, this has become the sacred cause to realize, at the highest level, the independence of the popular working masses—the subject of history and master of revolution and construction.

The banner of *chuche* is the great banner to establish and embody the *chuche* idea of the country, nation, and revolution. This is also the will of the times and the faith of the people who want to be the master of their destiny.

The past history of failure and vicissitude has ended, and the Korean revolution has greeted a new era which is vigorously advancing forward because the great leader Comrade Kim Il-song, in upholding the banner of *chuche*, has opened a new road of revolution.

The great leader Comrade Kim Il-song, in the course of pioneering the *chuche* cause, has organized and led the heroic anti-Japanese revolutionary struggle and attained immortal achievements. Under the unprecedented hard situation with no support from a regular army and without state backing, the anti-Japan revolutionary struggle was a severe revolutionary war waged against the powerful Japanese imperialists.

According to the *chuche*-oriented revolutionary line, the great leader organized armed ranks with the communists of the new generation as its core elements and achieved the historic cause of the liberation of the fatherland of Korea by leading the anti-Japanese revolutionary struggle with *chuche*-oriented strategy and tactics.

In the flame of war against the Japanese imperialists, the revolutionary tradition—the eternal cornerstone of our party and the *chuche* revolutionary cause—was prepared. With this as an historic root, the Korean revolution brilliantly pioneered the road of victory.

Thanks to the great victory of the anti-Japanese revolutionary struggle, the *chuche*-oriented revolutionary cause pioneered by the respected and beloved leader Comrade Kim Il-song entered a new stage of development. As a result, a wide road opened before our people. Thus, they could independently and creatively pioneer their destinies as the genuine master of the state and society.

Truly, the respected and beloved leader Comrade Kim Il-song is a great pioneer of the *chuche* cause who has elucidated a new path for revolution under the most stern trials in modern history and brilliantly attained the cause of the national liberation by leading the masses to win victory in an anti-Japanese war. He is also the sun of the nation who has saved the destinies of the fatherland and nation and opened the new history of the *chuche*-oriented Korea.

The great leader Comrade Kim Il-song has not only pioneered the *chuche* cause but also wisely led the struggle to realize it. Under the difficult and extreme situation since the liberation, the great leader brilliantly has realized

the cause of the establishment of a party, state, and army. In all political, economic, and cultural areas, he successfully has carried out in a short period all reforms for democracy and has laid a foundation for the independent development of the nation.

After the implementation of the anti-imperialism, antiféudalism, and democratic revolution, the great leader immediately presented the original ideology for the revolution of socialism and gave a new solution to the basic problems arising in transforming the outdated relations of production to the socialist one.

Based on this, the great leader has always adhered to the *chuche*-oriented line without considering any approved theories and existing formula.

Under the wise leadership of the great leader Comrade Kim Il-song, our country smoothly has attained the historic cause of transforming the outdated relations of production to the socialist one in a short period, only 4 or 5 years. The source of exploitation and oppression handed down throughout thousands of years has been ultimately eliminated and the system of socialism has been gradually built.

Because of the establishment of the system of socialism, the *chuche*-oriented revolutionary cause has been more vigorously accelerated and a wider road which can concretely provide the popular masses with an independent and creative life was opened.

The great leader Comrade Kim Il-song, holding fast to the standpoint of *chuche*, has given a scientific solution to all theoretical and practical questions arising in construction of socialism and communism during the period after the victory of socialist revolution and vigorously has pushed ahead with the revolution and construction by leading the broad masses to firmly unite around the party.

The respected and beloved leader comprehensively has resolved all theoretical and practical questions arising in construction of socialism and communism. These questions include the seizing of the ideological and material fortress for the building of socialism and communism, the period of transition from capitalism to socialism, the proletarian dictatorship, and the perfect victory of socialism. These questions also include the revolutionization, working-classization, and intellectualization of the entire society and three—ideological, technological, and cultural—revolutions. As a result, he has laid a firm guarantee to brilliantly attain the revolutionary cause of *chuche*.

The great leader Comrade Kim Il-song has given a scientific solution to the questions raised by the times and revolution and wisely led our revolution. As a result, our people, with their conviction, has advanced along the single road of victory and glorification, and our fatherland has turned into a powerful country of socialism that achieves the dignity of the nation based on independence, self-reliance, and self-defense.

The global changes which took place in the course of attaining the *chuche* cause are the brilliant fruition of the

wise leadership of the respected and beloved leader Comrade Kim Il-song who has led our revolution to the single road of victory.

Under the wise leadership of the respected and beloved leader Comrade Kim Il-song, the revolutionary cause of *chuche*, which has traveled the single road of victory and glorification, has entered today a new higher stage of turning the entire society into the *chuche* idea.

The cause of the *chuche* idea for the entire society is a historic cause to finally consummate the *chuche* cause pioneered by the respected and beloved leader. The historic march of turning the entire society into the *chuche* idea is vigorously advanced today under the wise leadership of the dear leader Comrade Kim Chong-il.

Highly upholding the leadership of the party is a basic guarantee to brilliantly carry out the *chuche* cause pioneered by the respected and beloved leader. We, under the wise leadership of the party, ought to purely defend and maintain the immortal cause attained by the great leader Comrade Kim Il-song. Thus, we must make efforts to hasten the final victory of the *chuche* cause by shining the immortal cause to the end.

Sixth National S&T Festival Closes 26 Jul

SK2707065991 Pyongyang KCNA in English
0438 GMT 27 Jul 91

[Text] Pyongyang July 27 (KCNA)—The sixth national festival of science and technology which opened on July 23 closed on July 26.

Participating in the festival were scientists, technicians, workers, co-op farmers, soldiers, university students and three-revolution team members, more than 200,000 all told.

At the festival, achievements and experiences gained in scientific researches and the technical innovation movement over the last year were exchanged and ways of backing socialist construction this year with science and technology were discussed.

The participants in the festival presented treatises and technical innovation proposals of practical value in rapidly developing the nation's science and technology, realising the *chuche* orientation, modernisation and scientisation of the national economy and promoting socialist construction in conformity with the requirements of the developing reality.

Among them, valuable treatises of science and technology and experiences in technical innovation including the new coal-cutting method for raising the coal cutting rate 20 percent which was developed by the Anju district coal mining complex were highly estimated.

The closing ceremony of the festival was held at the People's Palace of Culture Friday.

Prizes were awarded to those who set examples at the national festival of science and technology and in scientific researches and technical innovation over the last year.

New Books Published for Children's Education

SK2707010191 Pyongyang KCNA in English
2217 GMT 26 Jul 91

[Text] Pyongyang July 26 (KCNA)—The Kumsong Youth Publishing House of Korea has brought out many books which conduce to the education of youth and children.

A collection of short stories "New Age", a collection of short pieces "People of Rakwon", explanatory books "Youth and the Cultivation of the Mind" and "Let Us Bring Youth Into Beautiful Bloom", a library of juvenile scientific paintings Vol. 4 "What Didn't I Know" and many other books have been off the press.

New books include theoretical books, collections of reminiscences, revolutionary novels, collections of true stories, collections of folk tales and scientific and technological knowledge.

The publishing house has also brought out picture-books "Death of Three Children's Corps Members", "Mad Soldier" and "Horsetail Commander of Punitive Force" and other books on the theme of revolutionary and class education, and a picture-book "Who Is the First To Know" which will help cultivate the thinking, observing and judging power of children.

And a collection of Korean folk tales Vol. 15 "Broad Bell-flower in Kumsan-po" on the culture, customs and morality of our people, a historical tale picture-book "Soedori in the Castle of Yonan" and many other classical works, collections of world folk tales and common knowledge about the world have been published.

Corn Crop Status in Rural Communities Reported

SK2707104491 Pyongyang KCNA in English
1020 GMT 27 Jul 91

[Text] Pyongyang July 27 (KCNA)—Maize is ruling good in rural communities of Korea.

Maize is doing unprecedentedly fine on terraced fields in mountainous areas, to say nothing of intermediary areas such as Kindung plain in Hwangju County and Miru plain in Singye County.

Farms in South and North Pyongan Provinces and South Hwanghae Province foresee a yield of eight to ten tons per hectare this year, judging from the present conditions of the crop.

The Ponghwa cooperative farm in Kangdong County, Pyongyang, confidently looks ahead to more than ten tons of maize from each hectare.

The agricultural working people are properly manuring and tending the maize fields to bring about a rich harvest.

Cooperative Farm Said 'Communist Ideal' Village

SK2907152691 Pyongyang KCNA in English
1501 GMT 29 Jul 91

[Text] Pyongyang July 29 (KCNA)—Oguk-ri, Anak County, in the western part of the country, is one of the cooperative farms called communist ideal villages in Korea.

Many-storeyed apartment houses and modern houses for 1,300 families, a house of culture, a school, a hospital, shops, public buildings and public service establishments have been built on a hill along the river so flowing through the centre of fertile Orori plain.

Having a green belt for each 40 flats, roads flanked by fruit trees and flowers and parks, Oguk-ri looks like a picture.

Farmers do almost all farming work including ploughing, sowing, rice-transplanting, weeding, manuring and thrashing by machines and go to fields some 10 kilometres away from their houses by bus and bicycle.

After work they go to the cinema, conduct art activities and participate in dancing parties or sports games.

The Oguk cooperative farm is known to the country as a model farm in farming.

The farm produces more than 10,000 tons of grain each year, 8.5 tons of rice per hectare on an average.

The farm is now producing meat 10 times and vegetables 3 times these in the year of its formation (1955) and hundreds of tons of fruit from the newly created orchards.

Crops are doing well this year.

A share for each household increased 3.6 times in grain and 3.5 times in cash in the past 30 years.

The farm has over 200 farm machines including 80 trucks and tractors.

Archaeologists Discover Koguryo Dynasty Tomb

*SK2907153491 Pyongyang KCNA in English
1509 GMT 29 Jul 91*

[Text] Pyongyang July 29 (KCNA)—The Anak old tomb No. 3 (National Treasure No. 67) is a mural tomb of Koguryo Dynasty built in the middle of the fourth century.

The old tomb is situated in Oguk-ri, Anak County, South Hwanghae Province.

It is the tomb of King Ko Kuk-won (331-371), the 16th king of the Koguryo Dynasty.

In recent years Korean archaeologists discovered in the area of Mt. Changsu, Sinwon County, South Hwanghae Province, remains of South Pyongyang, which was one of the sub-capitals of Koguryo Dynasty where King Ko Kuk-won fell in action in the year 371. There they found many scientific evidences such as the site of the royal palace and a brick engraved with the year "seventh year of Yonga" (the year 313). And more letters were discovered on the mural paintings of Anak old tomb No. 3, which were enough to prove that this tomb belongs to King Ko Kuk-won.

The old tomb is a precious heritage of national culture topping the list of the Koguryo mural tombs in its scale and the richness of the content of the mural paintings.

The grave is subconical in shape, which is 33 metres in south-north length, 30 metres in east-west length and 11 metres in height.

It has seven compartments,—the entrance, the doorway, the vestibule and two rooms adjoining it, the backroom (where the body was laid) and the corridor.

It is 3.47 metres from the floor to the ceiling and the wall is 1.22-1.32 metres high and 1.7-5.34 metres long.

KCNA Review of 30 Jul Pyongyang Press

*SK3007064391 Pyongyang KCNA in English
0505 GMT 30 Jul 91*

[Press Review]

[Text] Pyongyang July 30 (KCNA)—NODONG SINMUN today carries a solidarity message to President Kim Il-song of the Democratic People's Republic of Korea from Malagasy President Didier Ratsiraka on the occasion of the month of solidarity with Korean people.

A reply message came to Comrade Kim Il-song, general secretary of the Central Committee [C.C.] of the Workers' Party of Korea, from B. Dashyondon, chairman of the C.C., the Mongolian People's Revolutionary Party and a letter from the participants in the starting ceremony of the "international solidarity march for supporting Korea's reunification" which was held in Uganda, the paper says.

It says that "our socialism for the people will not perish", a work of the dear leader Comrade Kim Chong-il, was reported in different countries.

An article of the paper recalls that Comrade Kim Chong-il has wisely led the grass-roots masses such as the bereaved families of revolutionaries, fallen fighters, persons murdered by the enemy and socialist patriotic martyrs to do their work creditably as becomes the core masses of the party.

Given in the press is an account of a national meeting held to mark the 45th anniversary of the promulgation of the historical law on equality of the sexes (July 30, 1946). Seen there is a report of Kim Pok-sin, alternate member of the Political Bureau of the Central Committee of the Workers' Party of Korea and vice-premier of the Administration Council, at the meeting.

Papers carry a statement of the DPRK Ministry of Foreign Affairs on a new proposal for the denuclearization of the Korean peninsula put forward by the DPRK Government.

Econews of NODONG SINMUN includes reports about the continued innovations in the production of irons and steels and thoroughgoing measures taken by co-op farms to protect crops of paddy and non-paddy fields from storm damages.

Papers inform the readers of the arrival here of a delegation of the physical training organisation of Iran led by Vice-President Hassan Ghafori Fard, chairman of the organisation.

Papers report that the DPRK ambassador to Uganda paid a farewell call on the Ugandan president, a national training course on the non-destructive testing ultrasonics, level 2 opened in Pyongyang and a contact was held

between chief liaison officials of the North and the South for inter-Korean high-level talks.

Papers run a commentary denouncing the false "results of investigation" titled "full looks of Chondaehyop" published by the No Tae-u ruling group.

Echoed in the press are Benin and Lebanese public voices demanding the release of coed Yim Su-kyong and Rev. Mun Ik-hwan and foreign public voices supporting the DPRK's entry into the United Nations.

South Korean news columns of the press include a report that the South Korean newspaper HANGYORE SHINMUN criticized the anti-reunification action of No Ta-u.

NODONG SINMUN lays bare the criminal act of "the Security Planning Board", the den of intelligence politics, in the third part of a serial article headlined "Den of Anti-Communist Plot and Oppression".

Papers convey world public voices demanding that the United States withdraw its nuclear weapons and aggression troops from South Korea, expressing firm solidarity for the Korean people's just cause of national reunification.

NODONG SINMUN reports that a plenary meeting of the C.C., the Communist Party of the Soviet Union was held, the Central Control Committee of the CPSU issued a statement on defending the constitutional rights, honor and dignity of the Communists, Li Peng, premier of the State Council of China, called for doing well the relief work in the flood-hit areas, and a cultural function marking the 38th anniversary of the attack on Moncada Barracks took place in Cuba.

The paper carries an article saying that freedom and rights of individuals are being trampled down ruthlessly in capitalist society.

Papers introduce Vanuatu greeting the Independence Day.

South Korea

Official Says North Proposal Has 'Nothing New'

SK3007124991 Seoul YONHAP in English 1211 GMT 30 Jul 91

[Text] Seoul, July 30 (YONHAP)—A South Korean Government official said Tuesday that North Korea's latest proposal for the declaration of a nuclear-free Korean peninsula guaranteed by neighboring big powers had nothing new in its basic context despite its unusual concreteness.

He pointed out that North Korea again dwelled on their conventional call for the withdrawal of U.S. nuclear arms from South Korea. His comment came a few hours after the North Korean Foreign Ministry announced the proposal through Pyongyang's media.

The official hinted at possible refusal by Seoul of the denuclearization proposal by saying, "North Korea should

sign the nuclear safeguards agreement and accept outside inspection of its nuclear installations before coming out with such a proposal."

He said, "There is no change in the basic position of the South Korean Government that proposals for denuclearizing the Korean peninsula would be meaningless under the present situation in which neighboring big powers are armed with nuclear weapons."

Meanwhile, representatives of related government agencies, including the Presidential Office, Board of National Unification, Foreign and Defense Ministries, and Agency for National Security Planning, met later Tuesday and reviewed the new North Korean proposal.

Nuclear Declaration Study for Coming UN Session

SK3007014091 Seoul CHOSON ILBO in Korean 30 Jul 91 p 1

[Text] It has been learned that the government is studying whether President No Tae-u should make an important declaration in his keynote speech at the UN General Assembly [UNGA] on 24 September in connection with the handling of the "nuclear [issue] on the Korean peninsula."

It was noted that this declaration would be similar to a northward proposal for substantive settlement of peace on the Korean peninsula and eventually be linked to denuclearization of the Korean peninsula.

It was also learned that, for this, the government is planning to hold talks between high-ranking ROK-U.S. diplomatic authorities in the United States in August to discuss and adjust the concrete direction of impending important questions including the issue of handling the "nuclear [issue] on the Korean peninsula."

On 29 July, a government source said that "the keynote speech by President No Tae-u in the UNGA in September will be the first speech of the head of our state after the entry of the North and the South into the United Nations. Thus, his speech has a historic mission of elucidating the firm will and policy of our government to pursue the peaceful solution of the situation on the Korean peninsula."

This official pointed out: "However, North Korea's abandonment of its line for communizing South and of its will to develop nuclear weapons must be a precedent condition for consolidation of peace on the Korean peninsula."

He added: "Therefore, the important declaration which President No Tae-u is studying would inevitably include the measures that North Korea must take, including abandoning development of nuclear weapons, as well as the future of the nuclear issue in regard to the U.S. forces in South Korea."

He disclosed that he understands "an agreement was already reached on the principled direction of the nuclear issue of the Korean peninsula between President No Tae-u and U.S. President Bush during summit talks in White House on 2 July."

This official explained that "the declaration which President No is mapping out will be based on the results of these summit talks."

It has been learned that during the 2 July summit in the White House, the ROK and the United States agreed that any change in connection with nuclear weapons of the U.S. forces in South Korea will be handled under the initiative of the ROK side and that accordingly, the two sides will cope with the issue of nuclear withdrawal of the U.S. forces in South Korea, which North Korea put forward, under the initiative of the ROK.

To visualize as a concrete policy, the principle agreed upon between the summits of two countries, the governments of the ROK and the United States agreed to hold a meeting between high-ranking diplomatic authorities in the United States in August at the proposal of the U.S. side.

Waiting for North Response To Discuss Olympics
SK2907134491 Seoul YONHAP in English 1248 GMT 29 Jul 91

[By Kim Tae-sik: "Seoul Pushes for Joint Korean Participation in Barcelona Olympics"—YONHAP headline]

[Text] Seoul, July 29 (OANA-YONHAP)—Whether South and North Korea could use the Chiba table tennis or the Lisbon youth soccer championships as a precedent for fielding a unified team in Barcelona next year remains a keen interest not only for the sports officials of the two Koreas but ordinary people who aspire to see their country reunited at least in sports.

By joining forces, the two Koreas achieved better-than-expected results in the world table tennis championships in Japan and the world youth soccer championship in Portugal earlier this year.

Unlike a single-discipline event such as in Chiba or Lisbon, the Barcelona Olympics will pose them quite a few awkward questions.

In some sports, joint participation may be to Korea's disadvantage and, in some others, it will be virtually meaningless because of the great disparity of capability.

However, the issue of sending a single Korean team to the Olympics just one year after from now means more than just a combined participation. The joint participation in the Olympic Games, unprecedented so far, will mean that the two Koreas is united at least in sports and it will prompt exchanges in the political, economic and other fields.

Despite some voices against the single Olympic team, the South Korean Government is adamant in its policy of pushing forward with its realization.

To this end, the government proposed last Tuesday [23 July] to resume the inter-Korean sports talks on Aug. 8 at the truce village of Panmunjom. The two sides tentatively agreed to send a joint team to Barcelona in October last year. The South-North sports talks have not been held

since February when the two sides agreed on the joint participation in the table tennis and youth soccer championships.

In his proposal, Chang Chung-sik, the South's chief delegate, suggested to his Northern counterpart, Kim Hyong-chin, as the agenda items for the Aug. 6 talks formation of joint teams for the China open table tennis meet slated for late August, and the IOC [International Olympic Committee] President's Cup table tennis championships and the winter and summer Olympic Games.

South Korean sports officials say, however, that the main agenda item is of course the formation of single team to the summer Olympics in Barcelona next year.

The Sports and Youth Ministry has already drafted agreement on the formation of a single team to the Barcelona Olympics, indicating the government's resolute intention for a joint participation.

The government also made diplomatic efforts by sending Sports and Youth Minister Pak Chol-on to the IOC headquarters in Lausanne, Switzerland, to ask IOC President Juan Antonio Samaranch to mediate formation of a South-North joint team.

Despite the effort, it is not clear if the South-North sports talks would sail smoothly through the high waves to reach the port of joint participation.

North Korean sports leaders such as Kim Yu-sun, chairman of the State Physical Culture and Sports Guidance Commission, and Kim Hyong-chin, have promised to work for the formation of the joint Korean teams. They agreed to send a single team to Barcelona in the South-North sports talks in October last year.

North Korea, however, has not responded to the South's proposal for the resumption of the sports talks as of Monday, after a week since the South's overture was announced.

South Korean officials argue the two Koreas should reach a complete agreement on the joint team by the end of October and in order to complete the negotiations before the end of October, negotiations should begin early next month, at the latest.

However, they say, North Korea seems reluctant to begin the talks and it is fully up to North Korea's attitude whether the joint participation will be possible or not.

In order to form the single team, a massive exchange of sports personnel would be unavoidable and North Korea is said to be worrying that the rapid exchange would eventually undermine the stability of its secluded social system.

At least 1,000 people should travel South and North Korea for tryout games of at least half of the 25 regular disciplines and three demonstration sports of the Olympic Games, South Korean officials say.

It would be difficult for North Korea to accept the massive exchange of people at present, an official says.

Another reason for North Korea's reluctance is South Korea's superiority in sports arena. South Korean officials predict South Korean athletes would outnumber North Korean athletes by two to one if the joint team is formed purely on the basis of their ability.

In addition, South Korean players are expected to win six to eight gold medals in archery, wrestling and boxing, while the Olympic gold chances for North Korean athletes would be only three to four at most.

Editorial on Changes in Progressive Movement

*SK2907145391 Seoul CHOSON ILBO in Korean
22 Jul 91 p 3*

[Editorial: "A Sign of Improvement Observed on the Part of the Progressives"]

[Text] The changes that have occurred in the Soviet Union and East Europe, coupled with the changes in the international political situation, including the new world order that is in the making under the leadership of Europe, the United States, and Japan, are now driving Korean politics toward the right, on the strength of the domestic trends that are now moving toward conservatism as a whole. It remains to be seen whether this is an ephemeral phenomenon and a phase or long-term and structural.

What draws our attention about this is that the trends of the rightist turnabout have begun appearing in bits and pieces even in the fringe progressive political parties and student activists. It is undeniable that the extremist *chuche* idea worshipers and doctrinal Leninist reformers still lurk in the shadows. Equally clear is that there is an undeniable sign that the so-called reformists have carefully begun an undertaking to change the system from within.

We have long stressed that the only way for the progressives to survive is to change their way of thinking. So, the fact that the main stream of the Party of the Masses has resolutely lobbed the leftist bloc off its ranks is more than welcome. We hope that the reformists will be able to wrestle away the leadership in the progressive political and social movements from the extremist leftists.

We believe that even such organizations as the National Council of University Student Representatives [Chondae-hyop] and the National Federation of Labor Unions [Chonnohyop], and other such movement organizations that share an identical acronym beginning with "national" should start a bold internal struggle to rid themselves of the goals of seeking fundamental change in the system, changes that are totally strange to the entire population. It really is comic and ugly to see people in the groups worshipping the *chuche* idea, blindly believing in such things as "the leader is the supreme brain of the people," and also calling their leaders "chairman" or "director of cultural department," and yet to see some people who toe the Stalinist, Bolshevik line while openly regarding Gorbachev as a turncoat lead comfortable lives in our midst. Some absentminded people even go so far as to denounce

social democracy as "fascism" and defend orthodox Marxism-Leninism. Is this an expression of ignorance or a prayer of fanatics?

Unfortunately, however, their charlatan, progressive logic—an extremist leftist one at that—that had won minds and hearts in our society during the dark days of the eighties has preposterously made a considerable number of our young people identify the progressives as the extremist leftists. Nevertheless, we find it our duty to energetically convince people that Bolshevism and the *chuche* idea are not progressive ideologies, but empty shells of ultra conservatism.

Although "Odaeyang" fanatics have perished, no less visceral political fanatics are heaping all manner of detraction, mudslinging, slandering, and insulting words on the sound, reasonable progressive forces in order to block the latter's advancement, while claiming themselves to be the progressives. So, it is the duty of the "thinking" intellectuals, with critical reasoning, to break asunder this very false logic of the extremist leftists.

*** Removal of Tactical Nuclear Weapons Debated**

*** U.S. Concerns With Japan**

*912C0228A Seoul CHUNGANG ILBO in Korean
4 May 91 p 5*

[Article by Mun Chang-kuk and Pang In-chol: "Extraordinary U.S., Japanese Concerns Over the Nuclear Weapons on the Korean Peninsula"]

[Text] Editor's note: Controversies over the nuclear weapons on the Korean peninsula have markedly intensified lately as arguments about the North Korean nuclear weapons development program have expanded to involve the nuclear weapons of the U.S. Forces in Korea [USFK], making it an issue. While the U.S. Government and public are showing extraordinary concern about this issue, Japanese and French newspapers reported that U.S. and Soviet authorities are conducting secret negotiations on removing the U.S. nuclear arms from Korea to get North Korea to halt its own nuclear weapons development. The following are reports on Washington's position and Tokyo's view on the issue of nuclear weapons on the Korean peninsula. [end editor's note])

A media debate is under way on withdrawing the USFK tactical nuclear weapons as a means of preventing North Korea from developing its own nuclear weapons. The debate is drawing public attention.

After the Japanese newspaper NIHON KEIZAI SHIMBUN reported that the United States and the Soviet Union have been conducting secret negotiations on the withdrawal of the USFK nuclear weapons since last year, the French paper LE MONDE reported that the United States is considering removing its nuclear arms from Korea on the condition of a nuclear-free Korean peninsula.

Concerning the North Korean nuclear weapons development program, Washington has so far been leading an

international effort to put pressure on North Korea under the policy of resolving the issue diplomatically.

However, in the wake of the Gulf war, while the diplomatic effort failed to produce results, the Korean peninsula was highlighted as a region with the greatest danger of conflict and, as a result, the North Korean nuclear weapons program began drawing more and more international attention.

Analyses available indicate that the lesson of the Gulf War made North Korea skeptical about the effectiveness of its military forces armed with Soviet weapons, and that as a result, North Korea now clings to its nuclear weapons development program even more persistently. Some insist that the North Korean nuclear weapons program not only poses a direct threat to the ROK but also is likely to neutralize the effect of the USFK tactical nuclear weapons as a war deterrent.

They are concerned that this will increase the possibility of Japan and the ROK—currently under the U.S. nuclear umbrella—beginning their own nuclear weapons programs in haste, compelling Washington to fundamentally alter its whole concept about Northeast Asian security.

Furthermore, as ROK National Defense Minister Yi Chong-ku said, it could also create a situation in which a surprise attack on the North Korean nuclear facilities by the ROK military forces cannot be ruled out. If things should develop that way, the Korean peninsula could be drawn into the vortex of war.

After all, the best thing is to get North Korea to halt its nuclear weapons program. It refuses to cooperate, however, and therein lies the problem for the countries concerned.

The United States is trying to talk North Korea into cooperation, on the condition of improvement in the U.S. and Japanese relations with it. Even the Soviet Union came to its assistance but the U.S. effort has so far produced no specific results.

Therefore, U.S. academics and government institutes came forward with suggestions that accepting the North Korean demand and withdrawing the USFK tactical nuclear weapons from Korea could be a way to break the deadlock.

THE NEW YORK TIMES, in a 16 April editorial dealing with nuclear weapons on and in the vicinity of the Korean peninsula, wrote that a partial withdrawal of the USFK nuclear weapons could be a way to allay the North Korean misgivings. THE WALL STREET JOURNAL also carried an article suggesting removal of the U.S. ground forces' nuclear weapons from Korea.

Also, U.S. political leaders including Rep. Solarz, chairman of the House East Asia and Pacific Affairs Subcommittee, have long been suggesting denuclearization of the Korean peninsula.

Meanwhile, the U.S. Administration has not officially responded to this debate as yet.

Based on its policy of "neither confirming nor denying" as far as the presence of nuclear weapons is concerned, the United States keeps mum on whether or not the USFK have nuclear weapons.

It was confirmed indirectly, however, that Washington does not see the idea of denuclearization as convincing.

Also, some insist that when the Soviet Union and China adjacent to the Korean peninsula are armed with their nuclear weapons, it is meaningless to make the Korean peninsula alone nuclear-free.

Their position is that if a perfect denuclearization is to be attained on the Korean peninsula, the United States is required to withdraw all its nuclear arms from Northeast Asia. In that case, they emphasize, there will be no way to protect Japan against the Chinese and Soviet nuclear threat.

In fact, Japan itself adheres to its Three Non-Nuclear Principles of "not making, not possessing and not using nuclear weapons."

However, the United States, which defends Japan with its strategic nuclear weapons operated by the naval and air forces, finds it inevitable for that nuclear weapons strategy in the region to suffer a setback should the Korean peninsula be denuclearized.

Therefore, Washington holds on to the policy viewing the Korean peninsula denuclearization plan pushed by the Soviet Union and North Korea as unacceptable.

According to a different assessment, the United States cannot afford to completely rule out the possibility of considering a more limited question, namely, removal of the USFK tactical nuclear weapons, to get North Korea to halt its own nuclear weapons development program.

This assessment, discussed mostly in the United States, is based on a judgment that it could be possible to apply to the Korean peninsula the same nuclear weapons strategy relying on the naval and air forces that is currently applied to Japan, and that if so, the nuclear weapons currently assigned to the ground forces could possibly be removed.

However, in this case, too, there is a difficulty—that is, since the U.S. policy is not to acknowledge the existence of nuclear weapons, Washington cannot officially announce that it is removing the ground forces' nuclear arms; consequently, it is in no position to negotiate with North Korea on it.

In addition, there is no guarantee that North Korea will halt its nuclear weapons program.

Therefore, it is feared that the ROK and Japan will feel compelled to begin their own nuclear weapons programs, making nuclear proliferation in Northeast Asia inevitable.

In the absence of a reliable guarantee that North Korea will not develop its nuclear weapons, the United States finds it not an easy thing to withdraw its tactical nuclear weapons from the Korean peninsula.

Washington will likely continue to apply diplomatic pressure on North Korea for the time being under the policy of viewing the question of North Korea joining the international nuclear safety pact and the question of the USFK nuclear weapons as problems of entirely different dimensions and allowing no linkage between them.

Meanwhile, the Japanese Government and public are even more concerned about the North Korean nuclear weapons program than the ROK. While showing their profound apprehension, they are endeavoring to bring the North Korean program to a halt.

During his talks with President Gorbachev, who visited Japan last month, Prime Minister Toshiki Kaifu, explaining developments on the Korean peninsula, made references to the North Korean nuclear weapons program. Also, reflecting his positive stance on the issue, a Japan-USSR joint communique stated that the two countries "wish that North Korea would sign the international nuclear safety pact with the International Atomic Energy Agency (IAEA)."

Furthermore, Jushiro Komiyama, Lower House member who is currently visiting North Korea as the leader of the Japanese delegation to the IPU (Interparliamentary Union) session, met with Kim Il-song in the capacity of a senior delegate. At this meeting, Komiyama twice asked Kim "Don't you think North Korea should accept the IAEA nuclear inspection?" to embarrass the North Korean side.

Japan is extremely nervous about the suspicion that North Korea is developing its nuclear weapons. The reasons are: 1) It is the only country in the world that has experienced an atomic bombing; 2) if North Korea should develop its nuclear weapons, Japan would come within their range; 3) if there is any radioactive fallout from a North Korean nuclear accident, it could cause direct damage to Japan.

It is said that in fact, Japanese authorities have been aware since the mid-1980's of the possibility of North Korea having nuclear bombs by 1994-95.

However, it is known that Washington sent several defense intelligence and nuclear experts to Japan in the late October-early November period last year with more than 10 photographs from a U.S. military reconnaissance satellite proving that "the North Korean nuclear weapons development program has entered its final phase," and that Japanese Foreign Ministry and other officials have since been perceiving it as a "burning issue."

Japanese intelligence sources are also paying attention to the fact that North Koreans frequently make remarks admitting their nuclear weapons development program as a fact.

On 3 September last year, North Korean Foreign Minister Kim Yong-nam stated in a memorandum made public after his talks with former Soviet Foreign Minister Shevardnadze: "If the Soviet Union establishes diplomatic relations with South Korea, we will take measures to make on our own some of the weapons for which we have been

depending on the alliance." Subsequently, a KOMSOMOLSKAYA PRAVDA correspondent in a dispatch from Pyongyang—carried in the Soviet newspaper dated 29 November—reported that Kim Yong-nam had admitted that the "weapons to be made on our own" meant nuclear weapons.

Thus, as the possibility of North Korea having nuclear weapons emerged as a "real threat," the Japanese Defense Agency, the Public Security Investigation Agency [PSIA] and other government organizations grew extremely sensitive to the ROK's response as well as the North Korean move.

The PSIA in its 1991 "Report on the Domestic and International Situations" observed that North Korea will not easily agree to an IAEA inspection of its nuclear facilities because it intends to use the issue as "a trump card for negotiations with the United States." A PSIA source noted that "the North Korean nuclear weapons development program is pushing the ROK into undertaking its nuclear weapons program." He appeared to be more concerned about the possibility that the ROK, which prevails over North Korea in economic strength, can develop its nuclear weapons if it chooses to do so.

Japan is apprehensive that if this situation should result in a domino phenomenon and nuclear weapons development spreads throughout the Asia-Pacific region, the tension in the region will increase rapidly and, possibly turn it into a "post-Gulf War powder keg."

In this connection, Japan pins its hopes on the "U.S.-USSR secret negotiations on removing the USFK nuclear weapons" as reported by NIHON KEIZAI SHIMBUN on 2 May, as a way to head off such a nuclear domino phenomenon.

However, the Soviet ability to persuade North Korea has a limitation because North Korea has been saying at every opportunity that "the nuclear inspection issue is a U.S.-North Korean issue"; in addition, North Korea has been using the "nuclear trump card" for negotiations on disarmament including withdrawal of the USFK from the Korean peninsula. Under these circumstances, some experts express skepticism over the effectiveness of the reported secret negotiations, noting that this is no time for the United States to be the first to propose the withdrawal of the USFK nuclear weapons.

Inasmuch as the United States, Japan, China and the Soviet Union all share the same concerns about the highly possible North Korean development of its nuclear weapons, seeing it as a threatening time bomb, there is every indication that Japan as a potential victim will grow increasingly more sensitive than us as time goes by. Consequently, the North Korean nuclear weapons program will very likely become a stumbling block with a potentially serious impact on Japan's normalization talks with North Korea.

*** USFK Nuclear Weapons Withdrawal Discussed**

912C0228B Seoul HANGUK ILBO in Korean
3 May 91 p 5

[Article by Pae Chong-kun: "Great Impact Upon the Peripheral Countries of the Korean Peninsula Possible"]

[Text] If it is true that the United States and the Soviet Union entered secret negotiations on the removal of the USFK [U.S. Forces Korea] nuclear weapons from Korea as reported by NIHON KEIZAI SHIMBUN on 2 May, it is clearly an "important development" with an immense impact on the overall situation surrounding the Korean peninsula.

The reason is that if the withdrawal of the USFK nuclear weapons should become a reality, it would inevitably have direct consequences to the North Korea-Japan normalization and North Korea-U.S. rapprochement moves as well as North-South Korea relations.

The U.S.-USSR discussion of the USFK nuclear weapons, as reported by the Japanese media, can be viewed as a strategic move responding to, and seeking to bring to a halt, the North Korean nuclear weapons development program.

The United States and its Western allies—which used halting Iraq's nuclear weapons development as a major justification of the Gulf War—pointed their finger at North Korea as a potentially nuclear-capable country after the Gulf War and began putting diplomatic pressure on it to accept the IAEA inspection of its nuclear facilities.

Based on the common understanding that they do not want to see a new military conflict occur on the Korean peninsula, the Soviet Union and China, too, are against North Korea's nuclear weapons development. The NIHON KEIZAI SHIMBUN report pointed out that behind the U.S.-USSR secret negotiations is the judgment that a nuclear-armed North Korea would make the Soviet Union and China lose their military influence on the Kim Il-song government, prompt the ROK to develop its nuclear weapons, and create a crisis situation on the Korean peninsula when Kim Il-song dies.

In this connection, China and the Soviet Union have been insisting that in order to prevent North Korea from developing its nuclear weapons, the USFK nuclear weapons must be removed simultaneously. Based on that argument, the Soviet Union proposed denuclearization of the Korean peninsula.

These proposals have found a favorable response in the United States. In February, the ROK-U.S. Relations Committee, comprising prominent scholars in the two countries (ROK cochairman: former ambassador to Washington Kim Kyong-won) made an unprecedented open proposal for removing the USFK nuclear weapons from Korea. THE NEW YORK TIMES also carried a substantively similar editorial.

Their position is that the ROK now has the defense capability to deter North Korean provocations even without the help of the nuclear umbrella, and that for

preventing an isolated North Korea from creating increased tension on the Korean peninsula, too, the withdrawal of the USFK nuclear weapons is called for.

It is a fact that the USFK nuclear weapons are for a more symbolic than tactical purpose. It can be expected that their removal will first of all contribute positively to the domestic situation and North-South relations. The fact that the nuclear weapons that can bring a catastrophe to the Korean peninsula are being managed by the U.S. military has been a factor of the rising anti-U.S. sentiment in the ROK. North Korea has also been demanding the withdrawal of the USFK nuclear weapons as a major precondition for better North-South relations.

Therefore, if the United States removes the USFK nuclear weapons, it will in effect relieve the ROK Government of a heavy burden, namely, the obstacle impeding its free pursuit of policy in various fields.

Internationally, it will very likely create a new turning point for U.S.-North Korea relations. NIHON KEIZAI SHIMBUN foresees the possibility of the United States and North Korea entering direct negotiations by the good offices of the Soviet Union should the negotiations on the USFK nuclear weapons produce results.

North Korea has long held a strong desire for better relations with the United States. It has been in unofficial contact with U.S. officials in Beijing since last year. In these contacts, it strongly demanded that the U.S. side upgrade the contacts from the working level to an ambassadorial level.

Washington recently suspended these contacts, ostensibly for reasons relating to the North Korean nuclear weapons program. Therefore, it appears that North Korea will positively respond to proposals for bilateral talks on nuclear weapons and withdrawal of the USFK.

Furthermore, the withdrawal of the USFK nuclear weapons will probably work as a catalyst to powerfully accelerate the North Korea-Japan normalization talks which currently are facing hard sailing.

Japan has been procrastinating on the normalization talks as a result of the U.S. and ROK pressure for it to withhold normalization until North Korea accepts obligation under the nuclear safety agreement.

In the final analysis, the possibility is great of all these developments leading up to a cross recognition of North and South Korea by the four big powers with interests on the Korean peninsula.

However, this possibility is only conceivable under the premise that the United States removes the USFK nuclear weapons and, at the same time, North Korea accepts obligation under the nuclear safety pact. The reason is that considering the current cooperative mood between the United States and the Soviet Union, it is doubtful whether Washington will get to deciding to withdraw all the USFK nuclear weapons, and that it is difficult to predict how North Korea—demanding not only the withdrawal of the

nuclear weapons but assurances of nonuse on nuclear weapons as well—will respond.

Red Cross To Accept Letter From North Scholar

SK2907065791 Seoul YONHAP in English 0629 GMT 29 Jul 91

[Text] Seoul, July 29 (YONHAP)—South Korea will send two officials to the truce village of Panmunjom Tuesday to receive a Northern letter concerning the holding of a meeting of philosophers from South and North Korea on August 27, Kim Sang-hyop, president of the (South) Korea National Red Cross, said Monday.

Kim said in a telephone message addressed to Yi Song-ho, acting chairman of North Korea's Red Cross Society, that the two officials would be in the office of the Neutral Nations' Supervisory Commission in the demilitarized zone at 3 P.M. Tuesday.

On Saturday, North Korea said it would dispatch 20-member delegation to Seoul on August 20 for the philosophers meeting and deliver a letter concerning the meeting on Tuesday.

Direct Import of Soviet Crude Oil Anticipated

SK3007105091 Seoul HANGUK ILBO in Korean 30 Jul 91 p 7

[Text] Soviet-produced crude oil is to be imported directly into our country this year for the first time.

According to the relevant authorities and business circles on 29 July, the Jindo Group recently concluded a contract with the Soviet side to import five million barrels of crude oil directly from the Soviet Union.

Jindo will begin importing the Soviet-produced crude oil this fall, at the earliest. Jindo plans to bring in the entire quantity of oil gradually, depending upon domestic supply and demand.

The direct export of Soviet-produced crude oil is understood to be the Soviet Union's intention to supply its strategic materials to our country on a full scale, thus attracting people's attention.

The current contract was concluded with the condition that the ROK will not export the imported crude oil to a third country.

The imported crude oil is from the Ukraine and Sakhalin and is of good quality.

The relevant Soviet party to the contract is the All-Union Central Council of Trade Unions of the Soviet Union. This council is the Soviet Union's central organization for all industrial trade unions. Its influence is great, and its chairman is equivalent to the rank of vice president of the Soviet Union in terms of treatment.

Jindo and the Soviet All-Union Central Council have promoted this project secretly for fear of letting North Korea know about it. Thus, pertinent high-ranking officials of the Soviet All-Union Central Council secretly visited Seoul last month about this project.

Soviet-produced crude oil was first brought into our country last year. However, this oil was purchased from merchants of a third country in the international spot market and imported indirectly.

Last year the Honam Oil Refinery Company and the Korea Oil Corporation each imported 103,000 barrels of Soviet-produced crude oil. Other companies imported 111,000 barrels, making a total of 214,000 barrels of Soviet-produced crude oil imported into our country.

It is anticipated that this import of crude oil will prompt more active trading of strategic materials between the ROK and the Soviet Union, which has previously been limited.

Economic Cooperation Caution With PRC Stressed

SK3007094691 Seoul TONG-A ILBO in Korean 29 Jul 91 p 2

[Editorial: "China Is Coming to Us"]

[Text] The trade volume between the ROK and China in 1990 reached \$3.8 billion. The volume of China's exports to the ROK in the same year amounted to \$2.2 billion, and that of its imports from the ROK amounted to \$1.6 billion, thus giving China a surplus of \$600 million in its trade with the ROK. The ROK ranks fifth among the foreign countries with which China trade, and the trade volume between North Korea and China in 1990 was only \$480 million. This means that the ROK is important to China at least economically.

In such a situation, China wants the ROK to actively invest in the country, and ROK enterprises are competitively accelerating to expand their business to markets in China. Now that the voices of the reform faction of China which stresses economic profits rather than ideology are increasing, it is certain that China's interests in economic cooperation with the ROK will also increase. It was not accidental that a ROK civilian delegation led by Chong Chu-yong, honorary chairman of the Hyundai Group, received special hospitality from Chinese authorities during a recent visit. The fact that Vice Premier Tian Jiyun and Vice Premier Zou Jiahua, who has been reported to be the next premier, met members of the ROK civilian delegation is indeed worthy of notice.

Aside from whether either the reform faction or the conservative faction takes power in China in the future and whether an acute confrontation continues between the two factions, the fact that the aforementioned leading figures in the Chinese Government have opened dialogue with Koreans at the present time suggests a positive signal in political relations between the ROK and China.

However, there are no official diplomatic relations between the ROK and China. Although people say that there is a high possibility for establishing diplomatic relations between the two countries following the simultaneous entry of North and South Korea into the United Nations, we still witness the peculiar behavior of the Chinese who never make haste in any undertaking. Under such a situation, it is certain that the ROK will suffer more

deficits in trade with China and the number of our businessmen and tourists who try to take the bus bound for China will be on increase. Along with this, ROK commodities, the competitiveness of which has been weakened, will be pushed out by Chinese commodities in foreign markets, including markets in the United States.

Our northern policy has placed importance on political interests, rather than on economic aims. Our government did not hesitate to provide the Soviet Union with \$3 billion in economic cooperation. Of course, such economic cooperation as was provided to the Soviet Union involves our aim of realizing long-term economic benefits. However, it was certain that the economic cooperation provided to the Soviet Union was a heavy burden that we had to submit to. If and when the same thing is repeated with the relations between the ROK and China, our people's disappointment will be great.

However, we do not want to see the same situation as with the Soviet Union occur again in establishing relations with China. We would like to believe that proceeding from its understanding that stability on the Korean peninsula is indispensable to fulfilling the task of the four modernizations, China will attach more importance to normalizing relations between the ROK and China. In particular, under today's international situation in which the tendency to form regional economic blocs is being enhanced we hope that the position of China in East Asia and its responsibility in the region will play great roles in developing relations between the ROK and China.

We know that China has hesitated to establish diplomatic relations with the ROK because of its relations with North Korea and its policy of reunification under one state and two systems. We also admit that with the recent sharp decrease in Soviet influence in this region due to its domestic situation, China's role in solving the question of the Korean peninsula has been further enhanced.

However, we firmly believe that the establishment of diplomatic relations between the ROK and China is not only conducive to maintaining stability on the Korean peninsula, which is indispensable for the national interests of China, but is also conducive to improving relations between North and South Korea.

Therefore, if and when relations between the ROK and China are deepened, economic cooperation between the two countries, as well, will expand rapidly. It is indeed difficult to conduct economic cooperation with socialist countries. We have realized this through the Soviet Union. In other words, the establishment of diplomatic relations with a country become a prerequisite to smoothly maintaining economic cooperation with that country.

We urge our enterprises and businessmen to have firm determination to conduct business independently without receiving assistance and support from the government. We also urge our businessmen not to make haste in doing business.

Container Service With China To Open 2 Aug

SK3007070391 Seoul YONHAP in English 0540 GMT 30 Jul 91

[Text] Seoul, July 30 (YONHAP)—Regular container service between Pusan and Inchon in Korea and Shanghai, Tianjin, Qingdao and Dalian in China will open on Friday with 12 sailings a month, Kyunghan Shipping Co., a Korea-China joint venture, said Tuesday.

Kyunghan, a 50-50 joint venture between Korea's Heung-a Shipping Co. and China Ocean Shipping Co. (COSCO), will put 125-teu (twenty-foot equivalent unit) "Rook Trader" on Friday on the Pusan-Shanghai line and 125-teu "Rook Mariner" on Saturday on the Pusan-Dalian line, the company said.

Kyunghan is to begin container service on the Pusan-Qingdao and Pusan-Tianjin lines on Aug. 5 with 277-teu "Rook Express" and 103-teu "Marine Rose," respectively, he said.

At present, Sinokor Ltd., a joint venture between Dongnama Shipping Co. and the China National Foreign Trade Transportation Corp., has had container services on the routes since June 1989.

In the first four months of the year, more than 10 million tons of cargoes, including bulk and container cargoes, were shipped between the two nations.

Petrochemical products, electronic goods and textiles were mostly shipped to China, while agricultural products, raw materials and minerals were carried to Korea.

Japanese Detain Another South Korean Trawler

SK2807045191 Seoul YONHAP in English 0434 GMT 28 Jul 91

[Text] Pusan, South Korea, July 28 (YONHAP)—A South Korean trawler with eight fishermen aboard has been detained by the Japanese Maritime Safety Agency on a charge of violating its territorial waters for the second time in a week.

The 136-ton No. 15 "Seyang" trawler was seized early Saturday morning by a Japanese patrol boat when spotted fishing in the seas about 1 mile west of Tsushima Island and the vessel was taken to Izuhara Port in the southern island immediately, the local maritime police here quoted a wire message from the Japanese maritime authority.

The boat left Pusan on July 23 and was to return Tuesday.

Earlier, the No. 9 "Seyang," a 113-ton trawler with 11 fishermen on board, was seized on July 23 on a similar charge while operating in the seas off Tsushima.

Daily Views Japan's Military Role

SK3007003391 Seoul THE KOREA HERALD in English 30 Jul 91 p 4

[Editorial, "Status of Japanese Army"]

[Text] The military establishment of Japan is hard put to remake its image and carve out a new role acceptable both

at home and abroad. This task involves low-key propaganda and a well-meaning endeavor to make positive yet unobtrusive contributions to regional stability and peace in the world.

Ever since they were defeated in World War II the Japanese military have been treated with disdain and neglect by the Japanese people. Boosted this year by their first postwar deployment overseas and a lively debate over whether Japan should expand its role in the United Nations peace-keeping forces, defense officials think it is time for a change.

The so-called peace Constitution and the pacifist policy of the Tokyo government apparently limited the role of the Japanese armed forces to an exclusively defensive one. The exact definition of self-defense is most elusive in this era of entangled and subtle international armed conflicts. It is open to question just how long Japan, with the sixth largest defense budget in the world, would and should be held on a leash.

Moreover, there have arisen steady, though suppressed, voices in favor of greater military role of Japan in international affairs. Many members of the coalition forces blamed Tokyo for failing to participate directly and militarily in the Gulf war against Iraq. Japan managed to send minesweepers to the Gulf this spring, the first deployment of Japanese troops, against much uproar inside Japan.

The United States and its Western allies found Japan's position inadequate and inconsistent with its economic clout. Nowadays Washington is counting on Japan to back up the United States' military presence in Asia. Washington wants Tokyo to replenish its preparedness to deal with any armed conflict in the region. The U.S. is about to scale down its deployment of forces in Japan and South Korea and withdraw from Clark Air Base in the Philippines by 1992.

The reactions of most nations to the military resurgence of Japan are often self-contradictory. On the one hand, they hope Japan will play a bigger political and military part for international security and peace. On the other, they are suspicious of the ominous implications of the possible revival of Japanese militarism. Some Japanese share the similar sentiment.

It poses a major challenge to all of Japan's neighbors and friends as to how to reconcile their misgivings with the changing realities.

NDP Says Leader Discredited Kim Tae-chung

SK2907134991 Seoul YONHAP in English 1317 GMT 29 Jul 91

[Text] Seoul, July 29 (YONHAP)—The opposition New Democratic Party (NDP) took an initial step Monday to deprive Rep. Cho Yun-hyong, leader of the party's only dissident faction, of his party membership for spreading "false information disparaging" party president Kim Tae-chung.

The party's Disciplinary Committee unanimously ruled that Cho had discredited Kim and the party by circulating

"groundless" charges that the party leadership took bribes in return for nominating candidates in the 1988 parliamentary elections.

The decision was responded coolly by Cho's "political development research club," an intraparty dissident clique comprising nine lawmakers, which immediately urged the party to revoke it. The club members threatened to unveil more of the nomination scandal.

The decision, if accepted by the majority in both party affairs meeting and a caucus, will go into effect.

Cho said, after the decision was meted out, "I have no intention of accepting the unjust decision."

He added he would not quit until the decision had been accepted as the final decision of the party.

Reporter Tags Assembly Seat Aspirants

SK2807005791 Seoul THE KOREA HERALD in English 28 Jul 91 p 2

[Article by staff reporter Kang Song-chol: "Rumors Abound Over Assembly Seat Aspirants"]

[Text] A number of well-known figures such as former Prime Minister No Chae-pong are said to be considering running in the next parliamentary elections expected in about six months.

Some of them are former and present top government officials like No, and some are disgraced politicians seeking a political comeback.

Many of them will likely pose a serious challenge to the incumbent lawmakers, particularly so given the fact that a string of scandals this year have made the voters increasingly distrustful of the present political circles.

In a related development, Fifth Republic old guards are said to be tapping the possibility of forming their own party by rallying again around disgraced former President Chon Tu-hwan.

Chon, who has drawn attention by resuming public activities recently, may have his eldest son, Chae-kuk, run in his hometown of Hapchon, Kyongsangbuk-to, according to political sources.

Quite a new breed of political novices may enter the race as well. Kim Tong-kil, former Yonsei University professor and well-known columnist, is currently moving to establish a new political party. He has long called for generational changes in domestic politics.

Two former prime ministers, No and No Sin-yong, are being referred to as possible candidates, though they have not yet made their intentions clear.

No, who stepped down "prematurely" in late May, is more likely to be present in the parliamentary race than No who served under Chon's Fifth Republic, the sources say.

They predicted that President No Tae-u will encourage his one-time confidant No to begin his career anew by securing a parliamentary seat.

No reluctantly replaced No out of pressure from the opposition and dissident circles amidst nationwide waves of protest touched off by a college student's death due to beating by riot police.

The ex-premier may run in a district in Seoul or his native city of Masan, Kyongsangnam-do, or be given a national constituency ticket of the ruling party.

Former heads of the Agency for National Security Planning, such as Chang Se-tong, Pak Se-chik and An Mu-hyok, are also being talked of as possible runners in next year's elections.

Pak, who was forced to quit as Seoul Mayor in February over a housing scandal, has reportedly hinted that he would join in the parliamentary race as part of efforts to regain his honor.

Chang Se-tong's possible candidacy will be related to the efforts of the Fifth Republic figures' alleged endeavors for a political comeback, according to the sources.

A one-time intelligence chief and chief presidential bodyguard, Chang has been widely blamed for abuse of power and other irregularities during Chon's authoritarian rule.

Ho Mun-to, former unification minister and Chon's aide, is expected to compete in the parliamentary election in a provincial district in Kyongsangnam-to.

Kwon Ik-hyun and Kwon Chung-tal, former lawmakers and influential figures during the Fifth Republic, have said they have made up their mind to seek the resumption of their political careers.

Several retired generals, including ex-Army Chief of Staff Pak Hui-to, are also said to be considering entering the race.

Speculation is high that two brothers-in-law of President No are aspiring to enter politics. They are Kim Pok-tong, a Korean Military Academy classmate of No, and former Trade-Industry Minister Kum Chin-ho.

Other well-known prospective candidates in the ruling quarters include Kim Hak-chun, presidential assistant for policy research, who is said to be weighing the possibility of running in his native city of Incheon.

Opposition parties are also expected to field a number of "fresh figures" in the next parliamentary elections.

Yi O-chung, a senior member of the opposition New Democratic Party's Supreme Council and prominent human rights activist, says she is still uncommitted, but party sources are saying she will likely compete in Seoul's Chongno district.

Foreign Banks Loan Applications To Be Screened
SK2907115991 Seoul YONHAP in English 0518 GMT 29 Jul 91

[Text] Seoul, July 29 (YONHAP)—The government, in an apparent bid to restrict the ballooning introduction of

foreign loans by financial organizations, will enforce a strict screening of loan applications, a government official said Monday.

Domestic banks introduced a total of 5.56 billion U.S. dollars in the first half of the year, 4.8 times the total of last year. Of them, 2.74 billion dollars were long-term loans and 2.82 billion dollars were short-term borrowings payable over three to five years, he said.

Government officials were wary that almost half of loans were short-term carrying high interest rates and that the rates were subject to change arbitrarily by creditors after a certain period of time.

They noted that the Korea Development Bank gave Bankers Trust Co. and other creditors in Hong Kong the right to change interest rates in two years when it introduced 200 million dollars for five years in May.

The Export-Import Bank of Korea also authorized its creditors to change interest rates of 120 million dollars it borrowed in April.

Foreign creditors often offered to use floating rates after two years of fixed rates on the ground that the currently low London Inter-Bank offered rate was likely to go up in the future.

Local banks have applied to introduce 3.3 billion dollars of long-term loans in the second half and the government. [sentence as received]

*** Investment in S&T, Human Resources Emphasized**
912C0240A Seoul CHUGAN MAEKYONG in Korean 22 May 91 pp 63-65

[Article by reporter Choe Won-sok: "An Opinion Poll Indicates That Lack of Investment Is the Major Cause of the Gap in the Level of Science and Technology Between Korea and Advanced Nations"]

[Text] An opinion poll showed that the level of Korean science and technology is behind that of the United States by 30 years and Japan by about 23 years. The respondents attributed the gap to the lack of investment in research and development (R&D) and in science and technology education.

Only one out of three of those who responded to the questionnaire predicted that our level of science and technology will be within the ranks of the top 10 in the year 2000. The poll also showed that the level of common people's understanding of science and technology was very low, just like the level of investment in science and technology by industries and the government.

These results were disclosed in the "Report on the Level of People's Understanding of Science and Technology," based on a poll of 2,000 people 18 years of age and older throughout the country, including Cheju Province. The poll was conducted by the Foundation for the Promotion of Science and Technology. The following is a summary of the report.

Korean Science and Technology Are Behind the United States and Japan by 20 to 30 Years

Those polled responded that the level of Korean science and technology is behind Germany and the Soviet Union, as well as the United States and Japan, but ahead of China.

The responses indicated that the gap is far greater when compared with the United States and Japan than with other nations. The poll indicated that we are behind the United States on average by 30.46 years and Japan by 23.35 years.

The "lack of investment in R&D" was identified as the major reason (55.0 percent); the "lack of investment in science education" was the next major reason (19.9 percent), followed by the "low level of people's understanding of science and technology" (13.3 percent).

Some 37.6 percent of the respondents indicated that the major problem of science education is the lack of experimental equipment and scientific facilities; 37.5 percent said lack of investment in science education. This means that three out of four pointed out that the biggest problem in science education is the lack of scientific facilities and lack of investment.

Other problem areas in science education were the lack of parents' interest in science education (8.6 percent), the lack of good science teachers (6.4 percent), and the lack of preferential treatment for scientists and engineers (6.1 percent).

Most of the respondents did not know what percentage of the GNP is used for investment in research and development in science and technology. Only 17.5 percent correctly answered 2 to 3 percent. This is an example of how ordinary people are indifferent toward science and technology.

As for the investment in R&D from industries, the answers were more pessimistic than positive. In response to the question on the level of investment in industrial technology by industries, only 26.4 percent answered, "they do a lot"; and 64 percent answered, "they do not invest sufficiently."

Such a negative opinion was also reflected in the answer to the question on future science and technology level.

Basic science (40.3 percent) was identified as an area where most special developmental efforts are necessary, followed by industrial technology (27.4 percent) and production-related technology (20.2 percent).

Difficult To Become One of the 10 Most Advanced Nations in Science and Technology in 10 Years

Only 33.9 percent predicted that Korea can become one of the 10 most advanced nations in science and technology within the next 10 years. That means only one out of three answered that Korea will become one of the 10 most advanced nations in science and technology in the year 2000. Some 5.3 percent indicated that it could happen in about 50 years, and 2.4 percent said it would be impossible.

The answers to the question on when Korean scientists will become Nobel laureates varied a lot. Few people expected that Nobel laureates in science within the next few years; 10.8 percent, within 5 years; 22.8 percent, between 5 to 10 years; 19.0 percent, between 10 to 15 years; and 10.3 percent, between 15 to 20 years; 15 percent, at least 20 years and 4 percent even predicted not ever.

As to the question of interest in science, 13.1 percent answered very interested; 43.8 percent, somewhat interested; which indicated that most people are interested in science. The percentage of Koreans who are interested in science is slightly higher than the Japanese percentage of 52.4 percent. Interest in science was higher on the part of men than women, the younger rather than the older, and the more educated rather than the less educated.

Popular newspaper subjects are social aspects (34.7 percent), politics (33.0 percent), sports and show business (26.9 percent), economics (25.6 percent), culture (12.7 percent), home and health (9.1 percent) and science (2.9 percent). Interest in science and technology-related magazines is also very low. Only 14.4 percent recognized the domestic science magazines including Science, Scientific Donga, Monthly Science, and Newton; and 85.6 percent either said they do not know these magazines or did not respond.

70 Percent Predicted Korean Nobel Laureates Will Be Possible 10 Years From Now

As for the questionnaires on children's occupations, 7.6 percent wanted their sons, and 1.1 percent wanted their daughters, to become scientists or engineers. This indicates that in the near future, the science and engineering fields will be dominated by men. This 7.6 percent is similar to lawyers and judges (7.8 percent) and businessmen (7.4 percent).

The level of understanding of scientists and engineers was reasonably good: 91.3 percent indicated that scientists are trying to benefit mankind; 32.2 percent said scientists are doing research only to satisfy their curiosity, but 54.3 percent said otherwise; 29.7 percent said scientists are dangerous, and 58.2 percent answered otherwise.

Eighty-seven to 88 out of 100 people did not visit science and engineering related museums during the past year. Only 12.5 percent visited science or engineering museums during the past year. Among them, the majority visited only once (54.3 percent) or twice (28.5 percent). Only 3.6 percent visited more than five times.

It was disclosed that ordinary people believe that science is a very difficult area, such as space science or high-tech.

Answers to the question on what they relate to when they think of science varied as follows: space (11.6 percent), high-tech, technology development (9.7 percent), computer, computerization (7.7 percent), convenience of life (5.9 percent), negative feelings such as difficult, unfriendly (4.9 percent), research and research organizations (3.8 percent) and invention, inventors, and invented items (3.5 percent).

The understanding of scientific terms such as satellite (87.7 percent), semiconductor (81.4 percent) and acid rain (72.4 percent) was good; whereas the understanding of social science terminology such as deductive method (32.6 percent) and editorial error (8.2 percent) was still very poor.

The majority of respondents thought that science is somewhat interesting but very difficult and out of reach.

Some 57.3 percent answered that they do not believe in fortune-telling, but 40.2 percent answered that it was somewhat trustworthy. One out of five went to fortune-tellers at least once during the last year.

62 Percent Said Nuclear Power Plants Are Dangerous

Seven out of 10 (68.7 percent) people believe that there are means of curing disease other than modern medical science. Some 48.0 percent believe in the existence of extra-terrestrial beings, whereas 23.9 percent do not.

Some 11.3 percent have personal computers (PC), and 20.8 percent know how to use them. Among those who can use PC's, there are more men (26.8 percent) than women (14.9 percent), more younger generations than older, and the more educated. Among these, 52.8 percent are students and 51.9 percent are white-collar workers.

Some 87.1 percent have washers, but 12.9 percent of these do not know how to operate them. Those who do not know how to operate washers are farmers, and those engaged in forestry, fishery, and some who are self-employed.

Most people get scientific and technological information from television or newspapers. The major source of scientific information is television (61.8 percent), newspapers (17.2 percent), magazines (6.1 percent), journals and technical magazines (5.2 percent). More younger generation and highly educated people depend on newspapers; the older generation and less educated people depend on television.

As for the question on nuclear power plants, 67.6 percent have positive opinions on the necessity of nuclear power plants on the grounds that Korea needs a less expensive and more stable supply of electricity, since we have insufficient natural resources.

As for the question on safety, however, 62.3 percent answered that nuclear power plants are dangerous; and only 22.6 percent, safe. This indicates that more people feel uncomfortable about the safety of nuclear power plants.

Exports of Semiconductors Rise Sharply in 1991

SK3007070591 Seoul YONHAP in English 0532 GMT
30 Jul 91

[Text] Seoul, July 30 (YONHAP)—Exports of semiconductor chips rose sharply this year with shipments in the first five months totaling 2,214 million U.S. dollars, up 27.8 percent from the same period last year, according to the Trade and Industry Ministry Tuesday.

Exports in May topped 548 million dollars.

Such a favorable export performance was attributable to recovery in the semiconductor business in the United States to the level of 1988 and Japan's reduction of production and export of the 1 mega dynamic random access memory (D-RAM) chips, which gave more chances to Korean companies to sell the chips.

The Ministry said, however, that such a sharp increase in the semiconductor chips will be difficult to sustain because of import regulations by the advanced countries and the fierce competition among the United States, Japan and the European Community.

To expedite the localization of semiconductor manufacturing equipment, the government plans to house 26 semiconductor equipment manufacturing companies in the two industrial complexes in Chonan and Songtan by 1993.

The Ministry also will legislate a law on the protection of semiconductor industry in order to cope with the strengthening of the protection of intellectual property rights by advanced countries.

*** Automation, Software Development Needed**

912C0245A Seoul HANGUK KYONGJE SINMUN
in Korean 30 May 91 p 3

[Reporter Son Hui-sik: "Industrial Bank's Report on the 'Strategies To Raise the Nation's Industrial Standards'"]

[Text] Automation and software development are essential to enhance the technological competitiveness of our industries.

The Industrial Bank's report, "Strategies To Raise the Nation's Industrial Standards," published on 29 May, finds technological updating is urgently needed in Korea to face the technological protectionism of advanced countries and the heightened sales competitiveness from less developed countries.

Especially in the case of the computer industry, over 90 percent of the essential parts come from the United States and Japan. It is suggested that a computer components research center, where the government and various-size computer industries will cooperate for the development of computer components, must be established to enhance the competitive edge of Korean computers in the world market.

The Industrial Bank also stressed that the auto industry, too, should increase its R & D (research and development) investment from the present 2 to 3 percent level of the gross sales to over 5 percent. Moreover, it suggests that the industry should invest more in the software than in the hardware.

In the petrochemical field, the Industrial Bank's report points out that processes for developing new catalysts and solvents as well as the development of new fuels for diversification of fuel source must be urgently studied.

The report also recommends that industries, academia and research institutes should collaborate, setting up medium/long-range plans to enhance basic science and develop new fibers.

This report is the result of a two-month, in-depth analysis of six major industries including the computer industry conducted by the Industrial Bank since last April.

The following are the suggested strategies for technological enhancement: **Computer Industry** The computer industry, which lags far behind Japan and Taiwan, should be enhanced through a medium/long-range plan to update the technology and produce higher-quality merchandise.

The industrial structure should be modified to produce up-to-date, quality products and the basic software technology for plant automation.

To prepare for the growing demand of ASIC (application-specific integrated circuit), an ASIC center should be established for the benefit of all industries. A research center for computer components where essential computer parts can be developed should also be established. **Automobile Industry** In the area of automobile safety and design, Korea's automobile industry lags behind developed countries by about five years.

To improve the technology, it must develop its original design capability and strengthen the cooperation between auto parts makers and final assembly industry. It is urgently necessary to localize the production of essential auto parts. By selectively importing foreign technologies, duplication should be avoided and the effect of imported technology should be maximized. The R&D investment should be increased from the present 2 to 3 percent of the gross sales (about one sixth of Japanese investment) to over 5 percent. **Petrochemical Industry** Korea's petrochemical technologies are world-class. Its plant-design technology, however, is inadequate. Localizing the production of plant facilities is also a task to be overcome. Catalyst and solvent technologies, the basis for new process development, are also urgently needed. Replacement of benzene with toluene, a relatively cheap solvent, and refining crude and diesel oils using modern techniques for fuel diversification are also desired. Biodegradable synthetic resins and detergents should be developed for environmental protection. **Special Steel Industry** Korea's "special steel" productivity and its R&D investment in this field amount to less than a 40-percent level of developed countries while her demands for quality and diversified steel products are increasing. It is therefore important to develop the technologies to make "special steel" as well as process the steel products. Furthermore, it is necessary to build itemized production lines. The production ratio of "special steel" to ordinary steel should be raised from the current level of 6 percent to 16 percent by 1995, promoting the "steel movement of the twenty-first century." **Special Fiber Industry** To meet the demands of changing life-style, the industry should be prepared to produce special, new fibers in small quantities for industrial and athletic uses as well as special, value-added fabrics for interior decoration and high fashion clothing.

It is important for the fiber industry to develop technologies for making mixed fibers and automatic polymerization control while maintaining close cooperation with dyeing and processing industries. Since new fiber materials have close relationships with basic science, it is desired that the industry, academia, and research institutions cooperate in R&D. **Cement Industry** The industry's operational techniques, quality of material, and technology to develop new products are all world-class. The skills to produce essential facilities, such as plant automation, lag greatly behind developed countries, however. It is therefore important to enhance productivity through plant automation. Also, development of special cement and conversion of conventional facilities to more energy-efficient ones are recommended. The effort to cut the operating cost by using used tires as fuel is recommended and it should maintain the production level of 120 to 150 percent of domestic demand.

* Textile Industry Suffers Labor Shortage

912C0247 Seoul HANGUK ILBO in Korean
29 May 91 p 7

[Article by reporter Kim Hyang-chol: "Manpower Shortage Throttles Korea's Textile Industry"]

[Text] The nation's textile industry is in danger of collapse due to labor shortage.

According to the study on the nation's 225 textile industries, conducted by the East-West Research Center at the request of the Korea Federation of Textile Industries and published on 28 May, the textile industry as a whole suffers a 15 percent labor shortage. About 8 percent of the manufacturing workers, including those with more than three years of work experience, are leaving the industry every month. More than half the industries under study demand labor import from overseas. The shortage rate differs greatly according to the type of work, ranging from 3.2 percent to 50.5 percent.

The fabrics and yarn industries have relatively small shortages of 3.2 and 6.4 percent respectively. On the other hand, the dyeing and cloth-making industries suffer 14.3 and 20.8 percent shortages respectively. The labor shortage in the knitwear industry is 50.5 percent, so it has less than half the manpower it needs.

The reason for the wide range of difference in labor shortage, according to type of industry, is due mainly to the fact that large-scale textile industries have actively automated their plants in the last few years, whereas knitwear industries have changed little.

Textile firms such as Dongkuk Trading and Kap-ul in the Taegu area, the mecca of the textile industry, have gone through many technical improvements in the last few years to improve productivity. These improvements include the installation of jet looms, which has successfully reduced the manpower need by over 50 percent. Knitwear firms which mostly make sweaters are generally small. Moreover, due to their poor working conditions, they have difficulty maintaining their workforce.

The ratio of skilled workers with over three years of experience has decreased from 30.8 percent in October 1989 to 26.7 percent at the end of March this year. The monthly rate of workers leaving the industry is 8 percent, forcing the industry to replace most of the workers within a year.

Since finding workers, as well as retaining them, has become so difficult, the textile industries expect this year's worker wage to be raised again by nearly 14.4 percent, about the same amount as last year in spite of the government's policy to keep wage increases below 10 percent.

The industries in general are forced to reduce their operations by 1.2 percent and the rate of increase in sales as a whole has also stopped at 1.2 percent.

Sales rates of fabric clothing and knitwear have decreased by 1.4 percent and 5.4 percent respectively.

Fifty-six percent of the industries, plagued by the severe labor shortage, now demand that cheaper labor should be imported from overseas, hoping this will also challenge the domestic labor force. This indicates how desperate the manpower shortage is in the textile industries.

About half of those who are in favor of imported labor want the government to permit Southeast Asian workers, who demand less in wages, to work in Korea. Thirty-five percent of the industries, however, prefer Koreans residing in China and the Soviet Union on account of ethnicity and language.

* Labor Conditions, Wage Increases Reported

912C0235A Seoul TONG-A ILBO in Korean
8 May 91 p 11

[Article by reporter Yi Ki-u: "Manufacturing Workers' Wages Increased by 21.2 Percent Last Year"]

[Text] In spite of the government policy to keep a single-digit wage hike, last year's average monthly wage of workers in all industries increased by 18.8 percent.

This is a big jump from the 9 percent wage increase agreement reached by management and labor in the companies where there was a negotiated contract.

According to the reports on labor outlook and wage increases, published on 8 May by the Labor Research Center, an affiliate of the Labor Ministry, last year's monthly wage for an average worker increased by 18.8 percent, a slight drop from the 21.1 percent increase of 1989 but a big hike from the 15.5 percent of 1988 and the 10.1 percent of 1987.

Even when the price hike of consumer goods is taken into account, the net increase of an average worker's wage reached 9.4 percent, indicating some gain from the 6.9 percent of 1989 and the 7.8 percent of 1988.

In the contracts reached by the managements and workers of companies employing more than 100 persons, the agreed amount of wage hike was only 9 percent last year.

The actual wage increase of 18.8 percent was, therefore, 9.8 percent higher than the previous differences of 2 to 3 percent.

The actual wage was increased beyond the contracted amount in the form of a special compensation, a bonus, a lump-sum allowance, or a special one-time benefit.

As a result, the government's single-digit wage hike policy existed only in name in the negotiated settlements.

Because the government's single-digit wage hike policy was quite unrealistic, businesses had to set up various extra bonuses and allowances, which distorted and diminished the significance of basic wages for workers.

The following are some important findings by the Labor Research Center regarding the labor trends of our businesses:

Wage Increase

The average monthly wage for industrial workers was 642,000 won last year, an increase of 100,000 won from the year before.

To compare the rates of wage increases between manufacturing workers and office workers, there was an increase of 21.2 percent for the former and 15.5 percent for the latter last year.

The wage difference between the two groups of workers is found to be decreasing rapidly. Last year, an average manufacturing worker earned 72.1 percent of the wage earned by an average office worker, steadily catching up from the 58.1 percent in 1987 followed by 63.4 percent in 1988 and 68.7 percent in 1989.

Especially in the case of male workers, the wage ratio of a manufacturing worker against a clerical worker improved from 64.3 percent in 1987 to 80.4 percent last year.

Classified by business, the construction industry, with its recent growth and severe manpower shortage, attained the highest wage increase of 25.1 percent (an increase of 149,000 won a month) last year.

Transportation, warehousing, and communication industries, on the other hand, showed a relatively small gain of 11.8 percent (an increase of 62,000 won a month) last year, less than half of the increase attained by construction workers.

To classify last year's wage increase by size of business, a small-size business with 30 to 99 employees showed a 17.7 percent increase while a large-size business with 300 to 499 employees showed a hike of 19.5 percent. The difference in wage hike with regard to the business size, therefore, amounted to 1.8 percent.

It is noticeable that the discrepancy in wage increase between different size businesses has been diminishing in recent years. The difference was 8.3 percent in 1989 while it was 11.1 percent in 1988.

Employment

The increase rate of economically active population was 3.9 percent in 1989, while the rate dropped by 1.1 percent last year. The increase rate of employees also decreased by 0.8 percent last year from 3.8 percent in 1989, indicating a general decline in the manpower supply.

Analysts regard this as generally due to the drop in the supply of the workforce as a result of slowing population growth.

The increase rate of workforce, persons 25 to 54 years old, has been steadily decreasing from 3.5 percent in 1988, followed by 3.1 percent in 1989 and 1.7 percent in 1990, and it is now reaching a level of little growth.

Classifying employment trends by business, service and construction industries absorbed most of the new increment in workforce last year, showing a 5.7 percent and 17.4 percent increase for the service industry and construction industry respectively.

The service industry and construction industry hired 455,000 and 199,000 new workers respectively last year, with the resulting increase of 656,00 workers between the two industries.

To compare blue-collar workers and white-collar workers, the number of new blue-collar workers entering the workforce has been decreasing every year.

Last year, the number of blue-collar workers employed in the manufacturing industry, general labor, and transportation industry was 6,238,000, which was a 3.2 percent increase from the previous year. This increase, however, was less than the 4.8 percent increase of 1989, which was, in turn, less than the 5.7 percent increase of 1988.

Farming and fisheries, in particular, have suffered a severe manpower loss in recent years. The decrease of the workforce in these two fields was no less than 3.5 percent last year alone, bringing the number of workers down to 3,270,000.

The number of white-collar workers, on the other hand, reached 47.3 percent of the entire workforce last year, increasing steadily from 45.8 percent in 1988 and 46.1 percent in 1989.

Jobs requiring expertise and administrative work showed the highest increase in employment (7.9 percent). The number of workers in the service industry also increased by 6.6 percent last year, continuing the 3-year trend of increased employment.

Regarding the rate of worker shortage as of March 1990, the manufacturing industry showed a shortage of 5.6 percent which was an increase of 1.4 percent from the previous year. The mining industry, a declining field anyway, suffered a severe manpower shortage of 7.1 percent last year, an increase of 3.5 percent from 1989. Generally speaking, the manufacturing industry's manpower shortage reached 6.9 percent last year, an increase of 2 percent from 1989.

Work Hours

Last year's average work week consisted of 48.2 hours, a decrease of 3.7 hours from the 52.5 hour-week in 1986.

The steady decrease of work hours in recent years is due to the diminished need for an average worker to work longer hours as a result of the rapid wage hike.

Also the introduction of the 46-hour work week system in March 1989, and 44-hour work week system in October 1990, made the normal work hours much shorter in general.

This trend of shortening work hours is expected to continue for the time being, with the anticipated introduction of shorter work hours in the work places with fewer than 300 employees in October next year.

An average work week in a manufacturing industry, a hotbed of long work hours, was 49.8 hours last year, a decrease of 4.9 hours from 54.7 hours in 1986.

Cambodia

Chea Sim Chairs Assembly Committee Meeting

BK3007044491 Phnom Penh SPK in English
0425 GMT 30 Jul 91

[Text] Phnom Penh SPK July 30—The Standing Committee of the National Assembly met here yesterday with its Chairman Chea Sim in the chair.

The meeting examined reports by the Supreme People's Court, the General Prosecutor to the Supreme Court, the State Council, the National Assembly and the addresses by the four commissions of the National Assembly to be included in the agenda for its coming 21st session, first legislature.

Radio Rebutts Accusation of Truce Violation

BK2707053191 Phnom Penh Samleng Pracheachon
Kampuchea Radio Network in Cambodian 1300 GMT
25 Jul 91

[Station commentary: "A Groundless Accusation"]

[Text] Lately, the other side has assiduously employed all possible means to stage a smear campaign against the State of Cambodia over the so-called violation of the cease-fire effective since 24 June. [Words indistinct] the Son Sann faction has painstakingly imitated the Polpotist clique by vociferously claiming that the State of Cambodia forces have captured its positions in the west of the motherland. This is tantamount to Son Sann's group implementing the policy of clinging to the coattails of the Polpotist gang.

In fact, everyone knows that the Son Sann faction does not have a single soldier stationed in the Cambodian motherland and the so-called Khmer People's National Liberation Army [KPNLA] is nothing more than a group of bandits with its head out and its tail tucked in, infiltrating remote villages and communes for the singular purpose of plundering and slaughtering the innocent people. The faction's activities, which are no less criminal than those committed by its alliance partner—the Polpotist clique—have been jointly crushed and defeated by the heroic Cambodian People's Armed Forces and our militiamen and people all the time [words indistinct]. Therefore, the Son Sann faction's efforts to tell lies about its positions being infringed upon by the State of Cambodia is nothing but an example of its obsolete stratagem aimed at elevating its image in the international arena and fooling people into believing that it really holds positions in the liberated regions of the motherland.

Mr. Son Sann's faction has not arrested the bandit who committed the violation, but has laid the blame on the State of Cambodia which has scrupulously respected the voluntary cease-fire with all sincerity. It is well known that since the cease-fire came into effect, the Polpotist clique has on many occasions encroached upon the truce and committed countless crimes against the people and country. This has even been witnessed by international humanitarian organizations carrying out missions in Cambodia. So why is the Son Sann group afraid to tell the

truth? Perhaps the group fears retaliation or that the Polpotist gang will expel it from the genocidal alliance.

As always, the State of Cambodia has goodwill and sincerity in strictly implementing the voluntary cease-fire. In the past, the State of Cambodia took the initiative in calling on the United Nations to send a coordinating mission to oversee the cease-fire in Cambodia and in requesting the creation of a military commission of the SNC so as to create favorable conditions for monitoring the truce. However, the other Cambodian side, especially the Polpotist clique, rejected those proposals. Should the State of Cambodia intend to violate the cease-fire, it would not have called for verification as thieves never call the police. As such, accusations made by the Polpotist gang and the Son Sann group against the State of Cambodia are unsubstantiated and groundless and are aimed only at tarnishing the atmosphere of mutual trust among the conflicting Cambodian parties and obscuring the light of peace for the Cambodian motherland.

The Cambodian people are vehemently opposed to the arbitrary and unjust accusation and consider this a move favoring those who are opposed to a political settlement of the Cambodian problem with the intent of prolonging the civil war in Cambodia. This action can never be forgiven, come hell or high water.

Phnom Penh Truce Violation Response Chided

BK2707080391 (Clandestine) Voice of the Khmer
in Cambodian 0430 GMT 27 Jul 91

["Political commentary": "The Hun Sen Group has admitted that it has violated the ceasefire"]

[Text] Recently, while the hearts of the Cambodian people throughout the country are beating with the hope that there will be peace in the beloved motherland after the Cambodian Supreme National Council meetings in Phatthaya and Beijing, reports on the violations of the cease-fire have been successively heard.

It is normal that there will be violations when a cease-fire agreement is devoid of proper control. However, a noteworthy violation was the one committed on 23 July by Vietnamese-Heng Samrin troops against various villages under the control of the Khmer People's National Liberation Front [KPNLF] and the Khmer People's National Liberation Armed Forces [KPNLAF].

The soldiers, who constitute the Hanoi Vietnamese aggressor forces and the Heng Samrin-Hun Sen side, launched their offensive at 0600 and caused painful suffering to innocent Cambodian people. They also attacked KPNLAF combatants, who have faithfully abided by the cease-fire with the hope that peace would be coming to the beloved Cambodian motherland. This has prompted the KPNLF leaders to protest to leaders of the Hun Sen side and the world calling for measures to eliminate acts that are destroying the process toward finding definitive peace for Cambodia and the Cambodian people.

The KPNLF realizes that it benefits no one if a cease-fire violation is simply reported. However, the protest by the

KPNLF has greatly alarmed the Hun Sen group to the extent that this side's radio in Phnom Penh has anxiously and angrily responded saying that its group did not violate the cease-fire. However, in the end, this rejection means admission instead.

This radio has senselessly said that there are no army positions of the Son Sann group on the motherland's territory. We ask this question: If the Son Sann group does not have army positions on the motherland's territory, are the current army positions of Son Sann—such as those in Kompong Thom, Siem Reap, Thmar Puok, and Banteay Chhma—on Vietnamese soil? Furthermore, the Hun Sen group's radio arrogantly said that there is no real KPNLAF and said we are bandits instead. If so, we ask this: If there is no real KPNLAF fighting to liberate the country over the past more 10 years, with whom did Hun Sen sign the cease-fire agreement? Is this not a statement not recognizing [as heard] the army positions and army of the KPNLF led by His Excellency [H.E.] Son Sann?

It is this kind of arrogant and boastful statement that the VOK considers as admission that that side has launched attacks in violation of the cease-fire agreement signed by Hun Sen and Tie Banh. VOK has never thought that Tie Banh is so ignorant as not to know where his army positions are and where the KPNLAF positions are. For if this is so, it is contrary to Hun Sen's statement in Jakarta which says that he clearly knows the positions of his army and those of the Democratic Kampuchean army, the KPNLAF led by H.E. Son Sann, and the army led by Prince Norodom Ranariddh.

If Hun Sen does know about this clearly, then we do not believe that the radio broadcasting from the Hun Sen group is ignorant and stupid. If it turns out that this group is stupid, there is only one thing to say: This group did in fact violate the cease-fire. And this would be a shameless admission.

Can the Cambodian people leave their destiny to such a group of people?

Khmer Rouge Commander Calls for UN Control

BK2807093991 (Clandestine) Voice of the National Army of Democratic Kampuchea in Cambodian 2315 GMT 27 Jul 91

["Excerpts" of "interview with a commander of the battlefield south of Battambang town by reporters from Voice of the National Army of Democratic Kampuchea Radio on 21 July 1991"; place of interview not given—read by announcers]

[Text] [Question] Recently, the Supreme National Council [SNC] successively met and achieved some results on a political and comprehensive solution to end Vietnam's nearly 13-year war of aggression in Cambodia in accordance with the 28 August 1990 framework document. What are your views and those of the National Army's combatants on the battlefield south of Battambang town on this? And how have you been implementing these views?

[Answer] Concerning the results of the two SNC meetings—in Phatthaya from 24 to 26 June, and in Beijing, China from 16 to 17 July—we, as combatants of the National Army of Democratic Kampuchea, are glad of and fully support them.

1. All of us fully support the Cambodian SNC with Samdech Norodom Sihanouk as chairman.

2. We hold aloft the banner of the SNC, with the samdech as chairman, to achieve national reconciliation and advance the peace process toward a solution to end the war in Cambodia politically and comprehensively in accordance with the 28 August 1990 framework document of the UN Security Council's [UNSC] five permanent members.

3. We support the SNC decision to let the United Nations send a mission to Cambodia to assess the modalities for control and the number of UN personnel to oversee the cease-fire and cessation of all foreign military aid to Cambodia.

In my own name and on behalf of the National Army on the battlefield south of Battambang town, we will assist every mission of the UN force in coming to quickly supervise the cease-fire and the cessation of foreign military aid to Cambodia.

[Question] Lately there have been accusations of cease-fire violations on the battlefield south of Battambang town. What are your views and those of the National Army on the battlefield south of Battambang town?

[Answer] I would like to specify that all of us are happy to support and assist the results of the SNC meetings with the samdech as chairman and to support and assist the progress of the peace process in Cambodia.

However, accusations on cease-fire violations have been successively levelled by each side. Thus, we request urgent and genuine UN control in order to determine who has violated the cease-fire and the agreement to end foreign military aid.

Only when there is control can there be peace in Cambodia, and only then can foreign aggressor forces be prevented from hiding and carrying out activities in Cambodia.

VONADK: Phnom Penh Situation Deteriorating

BK3007025291 (Clandestine) Voice of the National Army of Democratic Kampuchea in Cambodian 2315 GMT 29 Jul 91

[Text] According to local and foreign sources, the situation in Phnom Penh continues to deteriorate each day because:

1. The value of the riel has continued to decrease beyond remedy. The Phnom Penh side has tried to settle this

problem by issuing more riel bank notes, but this measure only causes the riel to drop even more sharply, to the point that no one wants it.

2. Prices of all kinds of daily goods have risen sky-high. One sack of rice now costs over 40,000 riels, or over 1,300 Thai baht. In some areas, one kilogram of rice costs 500 riels and is hard to obtain.

3. Cambodian soldiers, policemen, and low- and middle-class officials did not receive their salaries regularly. Some were not paid for five to seven months, or even an entire year. This is why they were very angry.

Such a downturn of economic life causes a serious impact on the social sector.

1. The unemployment rate is still rising beyond remedy.
2. There are burglaries, robberies, and chaos every day in Phnom Penh.
3. Unhealthiness, lack of hygiene, and diseases are widespread everywhere.

Phnom Penh people, Cambodian soldiers, militiamen, and officials in ministries and offices have all said that such a situation will only lead toward collapse and that no foreign aid can help.

They also said that only with the UN forces conducting a supervisory role on the cease-fire, cessation of foreign military aid, and Vietnamese withdrawal from Cambodia to quickly end the Vietnamese war of aggression can this deteriorating situation be quelled, and that only with the Supreme National Council headed by Samdech Norodom Sihanouk and the United Nations jointly arranging and controlling the national affairs during the transitional period can this serious and difficult situation be resolved.

VOK: SRV Still Using 'Divisive Tactics'

BK3007091491 (Clandestine) Voice of the Khmer in Cambodian 0430 GMT 30 Jul 91

[Political commentary: "It is time to stop playing both ends against the middle"]

[Text] During the reign of the antiquated colonialism, all oppressed countries were victimized by the policy of playing both ends against the middle, a policy implemented by aggressors to maintain their control. The policy caused small countries to suffer considerably for many years, many centuries.

In Cambodia the people were well aware of this tactic. But later, when Cambodia recovered its independence, the Cambodian people seemed to forget the significance of the policy. However, during the war, especially since the Cambodian nation has been subject to an invasion by the communist Vietnamese, the Cambodians have seen that the Hanoi Vietnamese experts and troops occupying the country have again used divisive tactics to further control Cambodia.

In the 1970's Vietnam used to claim that it fondly loved Cambodia and volunteered to come and help Cambodia in the fighting against the U.S. imperialists. Vietnam then

created and assisted the Khmer Rouge group in building itself up until the latter could seize power in Cambodia in 1975. Nevertheless, this was not the goal the Vietnamese wanted to attain. Vietnam assisted the Khmer Rouge in killing the Cambodian people, while dividing the group in two with the intent of weakening it so as to facilitate the Vietnamese invasion of Cambodia.

It is worth noting, on the one hand, the claim by the Vietnamese that they came to liberate the Cambodian people from the Khmer Rouge and, on the other hand, Vietnam's unwillingness to leave the country. After coming to Cambodia, the Vietnamese have moved Cambodia's boundary into Cambodian territory and have shipped Vietnamese citizens into Cambodia, and so on. These are only one or two issues among many others. Moreover, the Vietnamese have held up the Cambodian peace process and continued to instigate the Cambodians to further disunity so they will have the opportunity to bargain for more advantages at the expense of Cambodia. We have already completely blown their cover.

Lately, the development of the international situation, which has rapidly moved forward, has caused great concern to Vietnam. The Cambodian Supreme National Council [SNC] meetings have made significant headway in accordance with the event. However, the people and the world remain worried and afraid that Vietnam will not let go of the tether in its hands, but instead continue to obstruct the Cambodians from restoring peace and achieving national reconciliation, and continue to maneuver to break up the Cambodians for its benefit.

We are now in 1991 and there have been great developments in the world situation. So Vietnam should realize this. It should stop, once and for all, maneuvering to play both ends against the middle to further maintain its control. And more importantly, those Cambodians who used to allow themselves to be tethered by the Vietnamese should try to set themselves free from the Vietnamese yoke, making themselves ordinary citizens like others.

Indonesia

Iraqi Minister Says Sanctions Not Helping

JN3007050991 Baghdad INA in Arabic 2044 GMT 29 Jul 91

[Text] Jakarta, 29 Jul (INA)—Muhammad Sa'id al-Sahhaf, minister of state for foreign affairs, has affirmed that Iraq has the capability to export 1 million barrels of oil per day once the United Nations lifts the trade sanctions imposed on it.

In a statement to reporters after a meeting with Indonesian President Suharto in Jakarta today, al-Sahhaf added that most of the oil installations hit during the American aggression against Iraq have been repaired. We are ready to export oil once the United Nations permits us to do so, he said.

Al-Sahhaf termed the sanctions imposed on Iraq as unethical. He concluded: We are earnestly working to reconstruct our country and sanctions are the only obstacle

standing in our way. He indicated that sanctions are causing a shortage of foodstuffs and medicines in Iraq.

Japan Technical Assistance Accord Signed 26 Jul

BK2907120991 Jakarta ANTARA in English 1143 GMT 29 Jul 91

[Text] Jakarta, July 29 (OANA-ANTARA)—Japan has extended technical assistance worth 10 billion yen and grant aid amounting to 0.8 billion yen for various projects in Indonesia, the Japanese Embassy said here over the weekend.

The accord for the assistance was signed by S. Nakamura, director of the Grant Aid Division of the Japanese Foreign Ministry and Wisber Luis, director general of foreign economic relations of the Department of Foreign Affairs here on Friday.

The technical assistance included the sending of experts, inviting of trainees, and provision of equipment necessary for their related activities, it said.

At present, about 200 experts and 50 junior experts are in Indonesia to transfer their technical knowhow and make professional advice for their counterparts in a variety of fields.

Also about 600 trainees were invited to Japan to upgrade their expertise in financial year 1990.

The grant aid meanwhile will mainly focus on improvement of social infrastructures to meet the people's needs such as improvement of medical and sanitary conditions and ensuring of water supply.

The Japanese assistance will also include development survey, which is known as feasibility study or master plan is to help the Indonesian Government make general design of the development of regions.

It said that feasibility study and master plan are usually followed by project finance in the form of soft loan or grant aid. Both the Japanese and Indonesian sides agreed to start several new studies in FY [fiscal year] 1991.

The total amount for technical assistance, grant aid, and development surveys was about 1.1 billion U.S. dollars in FY 1990 and will be 1.2 billion U.S. dollars in FY 1991.

Economics, Dutch Ministers Hold Talks 29 Jul

BK2907131391 Jakarta Radio Republik Indonesia Network in Indonesian 1200 GMT 29 Jul 91

[Text] Radius Prawiro, coordinating minister for economics, finance, industry, and development supervision, has reiterated that the Indonesian Government is not dictated to by the IGGI [Intergovernmental Group on Indonesia] or any donor countries on how to formulate its national development schemes. Following talks with J.P. Pronk, Netherlands minister for development and cooperation, in Jakarta today, Minister Radius Prawiro said no donor countries, including the IGGI, could dictate their terms on the Indonesian Government. The government

has presented only its development concepts to international forums on aid. The government formulated these concepts on the basis of the existing development plan, not on the terms set by donor countries or the IGGI.

Meanwhile, the Netherlands' minister for development and cooperation expressed great satisfaction over the macroeconomic policy of the Indonesian Government, particularly in the face of international economic upheavals. He said this policy was an important input not only for the Netherlands but also for a number of other donor countries grouped in the IGGI. According to Pronk, his current visit to Indonesia is related to the Netherlands' Government's plan to increase aid in the form of grants for projects that have been undertaken to reduce poverty, promote the dignity of women, and protect the environment. Indonesia will receive some 200 billion guilders in aid from the Netherlands as agreed upon during the IGGI forum some time ago.

Ship Caught in Exclusive Economic Zone Released

BK2807101091 Jakarta Radio Republik Indonesia Network in Indonesian 0600 GMT 28 Jul 91

[Text] The Indonesian Government has granted a request by the Sabah State government in East Malaysia to release a fishing vessel which was detained for fishing illegally in Indonesia's Exclusive Economic Zone [EEZ]. The 91.8 dead-weight-tonne fiberglass vessel was detained by the Hiu Macan task force near the Sipadan Island waters or 15 miles within Indonesia's EEZ on 8 July.

Awang Faisal, deputy governor of East Kalimantan, told reporters that the release of the vessel is for the benefit of ASEAN stability and harmony. Indonesia had earlier granted a similar request by Malaysia to release the "Amal Budi" and ("Habo") vessels, which were also detained by the Hiu Macan task force.

Palapa B-4 Satellite Launching in 'Early 1992'

BK2807065491 Jakarta Radio Republik Indonesia Network in Indonesian 0600 GMT 28 Jul 91

[Text] The U.S. Export-Import Bank has approved a \$53-million direct loan or about 106 billion rupiah to Perumtel [State Communications Corporation] to finance the launching of the Palapa B-4 communications satellite. Syamsuddin Tanuatmaja, chief of Perumtel's Public Relations Division, told reporters in Jakarta yesterday that the total cost of launching the satellite would be \$72 million, which includes insurance and technical consultancy fees.

Perumtel purchased the Palapa B-4 satellite from the Hughes Corporation in March and the satellite is ready for launching in early 1992. After its launching, the satellite will be orbited next to the Palapa B-2R satellite, which was launched last April.

Laos

Thai Border Delegation Ends Visit, Departs

BK3007044891 Vientiane Vitthayou Hengsat Radio Network in Lao 1200 GMT 29 Jul 91

[Text] In response to an invitation by Souban Salitthilat, deputy minister of foreign affairs of the Lao People's Democratic Republic [LPDR] and chairman of the Lao-Thai Joint Border Committee, a delegation of the Thai-Lao Joint Border Committee led by Wichian Watthanakun, deputy minister of foreign affairs of the Kingdom of Thailand and chairman of the Thai-Lao Joint Border Committee, visited the LPDR beginning 25 July and left for home yesterday.

During the visit, the Thai delegation paid a courtesy call on Phoun Sipaseut, vice chairman of the Council of Ministers and minister of foreign affairs. It also traveled to Luang Prabang Province and visited some production establishments in Vientiane Province.

In addition, Wichian Watthanakun and Souban Salitthilat were guests of honor at the meeting of the joint technical border subcommittees, which was held in Vientiane on 25 July to exchange views on legal aspects of settling the dispute over the common border in Boten District of Laos' Sayaboury Province and Chat Trakan District of Thailand's Phitsanulok Province. The meeting was held following the survey of the border areas, which was conducted for the second time on 12 December 1990. The technical subcommittees of the two sides also jointly signed a memorandum of the talks in Vientiane yesterday.

Luang Prabang, PRC's Yunnan Boost Cooperation

BK2807052491 Vientiane Vitthayou Hengsat Radio Network in Lao 0000 GMT 28 Jul 91

[Text] Luang Prabang Province and PRC's Yunnan Province decided to increase economic cooperation in the years to come. The agreement on this issue was reached in mid-July during the visit to Yunnan at the invitation of Yunnan's governor of a high-level delegation of Luang Prabang Province headed by Vongphet Saikeuyachongtouna, secretary of the party committee and chairman of the administrative committee of Luang Prabang Province. During a meeting, the governors of the two provinces agreed to set up offices in each other's province to promote bilateral trade. Yunnan Province will help Luang Prabang develop its economic potentials. The two provinces also decided to increase their mutual assistance and cooperation in waterway and land transportation.

New Ambassador to SRV Presents Credentials

BK2907132291 Vientiane KPL in English 0913 GMT 29 Jul 91

[Text] Vientiane, July 29 (KPL)—Laos' new ambassador extraordinary and plenipotentiary to Vietnam Khamphet Phengmeuong today presented his credentials to vice-president of the State Council Nguyen Quyet, VNA reported on July 26.

After the presentation, Vice President Nguyen Quyet had a cordial conversation with the Lao diplomat.

German Cooperation Group Gives Aid to Schools

BK2707104491 Vientiane KPL in English 0912 GMT 27 Jul 91

[Text] Vientiane, July 27 (KPL)—The German-Lao Technical Cooperation Organisation will provide over U.S. dollars 1 million fund for improvement of 3 technical schools in Vientiane: the Lao-German Technical School at KM 3, the Pak Pasak Technical College, and the Vientiane Technical School.

The fund will be used for procurement of equipment teaching aids, in addition to improvement of facilities such as telephone system and school buildings in the 3 educational institutions. The agreement on this aid project was signed at the Pak Pasak School yesterday.

Contract on Timber Purchase Signed With Japan

BK2907140491 Vientiane KPL in English 0911 GMT 29 Jul 91

[Text] Vientiane, July 29 (KPL)—A U.S. dollars 5 million contract on purchase of 50,000 cubic meters soft wood was signed here on July 26 between the Mountainous Area Development Company and a Japanese company "Namela Ltd."

The contract was made following the contacts between the Lao side and the M.K.M. Trading Group Ltd. It provides that starting from September this year, the Lao company will make shipments of the timber to Japan through Vietnam. Each batch accounts for 5000 cubic meters.

Information Minister Receives VNA, SPK

BK2907133091 Vientiane KPL in English 0907 GMT 29 Jul 91

[Text] Vientiane, July 29 (KPL)—Lao Minister of Information and Culture Mr. Mounkeo Olaboun on July 27 afternoon received visiting delegations of VIETNAMESE NEWS AGENCY and SPK News Agency respectively led by its head Mr. Do Phuong and Mr. Em Sam-an.

The delegations arrived here some days ago to attend a meeting of the three news agencies VNA, KPL, and SPK due today.

The information minister welcomed the holding of the meeting, which will lay a basis for strengthening the cooperation between the three news agencies.

Rainfall Relieves Drought, Allows Rice Planting

BK2907141491 Vientiane KPL in English 0915 GMT 29 Jul 91

[Text] Vientiane, July 29 (KPL)—Since July 20, rainfall has been good over all parts of the country, especially in drought-stricken areas where now there is enough water for rice sowing and transplantation, reported the weather bureau.

The bureau further forecasted that rainfall will continue in the next few days in all parts of the country, it will be heavier than most parts in the south.

Philippines

Embassy in Iraq To Reopen Despite U.S. Pressure

HK3007025591 Manila PHILIPPINE DAILY
INQUIRER in English 30 Jul 91 p 10

[By Nimfa U. Rueda]

[Text] The Philippines will push through with the re-opening of its embassy in Iraq in spite of "pressure" from the United States and the European Community to delay it and keep Iraq in diplomatic isolation, sources at the Department of Foreign Affairs said yesterday.

The source said the Western bloc wanted to keep Iraq isolated until that country complies with United Nations ceasefire requirements.

The Philippine embassy in Iraq was closed shortly after the Gulf war erupted early this year but the Philippines has maintained its diplomatic relations with that country since that time.

The source said the Philippines considers its relations with Iraq important since it is being eyed as a market for its manpower.

The government has been scouting for overseas jobs for hundreds of thousands of Filipino workers who have been displaced by the July 16 earthquake, the continuous eruptions of Mt. Pinatubo and the economic crunch resulting from the series of calamities.

"We are looking forward to participation in the massive reconstruction in Iraq," the source said.

Iraq, he said, could also be a major source of oil.

Meanwhile, another source said chances that the Moro National Liberation Front (MNLF) will gain membership to the influential Organization of Islamic Countries (OIC) had dimmed after the secessionist group sided with Iraq and not with Saudi Arabia during the Gulf war.

Taiwan To Respect Fisheries Accord Decision

HK2907150091 Manila PHILIPPINES NEWSDAY
in English 27 Jul 91 p 1

[By Arthur I. Baruad]

[Text] The Taiwanese Government will respect whatever decision is arrived at by the Aquino administration on the newly-signed Philippine-Taiwan fisheries cooperation agreement.

This was disclosed yesterday by William Lee, the director for political affairs of the Taipei Economic and Cultural Office (TECO).

Lee said the Taiwan government was still awaiting the final decision of Malacanang on the matter, but stressed

that Taipei would abide by whatever decision the Philippine Government would make, and would continue to extend assistance to the country.

Lee said that despite the uncertainty of the pact, the seven-man team of experts from Taiwan would push through with their mission to come to Manila next month to provide assistance to Philippine agricultural officials in the areas devastated by the Mt. Pinatubo eruptions.

The sending of the team of experts was provided for in the controversial accord.

President Aquino early this month directed the Cluster E, the Cabinet committee on political and security development, to review the fisheries pact after the People's Republic of China (PROC) raised serious objections to the agreement.

Beijing has expressed its "grave concern" over the signing of the agreement, saying it violates Manila's One-China declaration. Under the joint communique signed between the Philippines and the PROC in 1975, the Manila government vowed to recognize only the Beijing government as the sole and legitimate representative of the whole of China. Taiwan is regarded by the PROC as its 27th province.

Following Mrs Aquino's directive, the Cabinet Cluster E formed a study group chaired by Foreign Affairs Undersecretary Pablo Suarez to review the political and diplomatic implications of the fisheries pact.

Suarez told diplomatic reporters on Thursday that the four-man study group had yet to make its final recommendation concerning the fate of the agreement, although a copy of a memorandum recommending its downgrading into a mere "record of discussions" had already been obtained by some reporters.

The memorandum recommended that the agreement be treated as a mere aide membre to avert a diplomatic crisis in RP[Republic of the Philippines]-PROC relations. The group warned that a validation of the agreement would "damage seriously, if not irreparably, (Manila's) long-term and current relations" with Beijing and would also cast doubt on the Philippines credibility as a responsible state.

Debate, Comment on U.S. Bases Treaty Continues

U.S. Ratification Not Needed

HK2607140491 Quezon City Radyo ng Bayan
in Tagalog 1000 GMT 26 Jul 91

[Text] The Senate headed by Senate President Jovito Salonga believes the U.S. Government has no plans to bring the new bases agreement with the Philippines to the U.S. Senate. For more details here is Javier Jojo Ismael.

[Begin Ismael recording] Many senators believe the United States Senate will not ratify the new treaty which is also the reason why senators in the Philippines continue to oppose the said military agreement. According to Senate Majority Floor Leader Teofisto Guingona, there are no provisions in the bases treaty stating that the U.S. President must

submit the document to the U.S. Senate for ratification. Salonga also said the final draft was not clear on the said ratification. Senate Minority Floor Leader Juan Ponce Enrile said the draft will just be accepted by the United States and does not need the U.S. Senate's approval. [end recording]

Manglapus Replacement Urged

HK3007003991 Manila PHILIPPINE DAILY
INQUIRER in English 28 Jul 91 p 11

[By Juliet Labog]

[Text] The Group of Independents in the House of Representatives yesterday called for the replacement of Foreign Affairs Secretary Raul Manglapus as head of the Philippine panel in the U.S. bases negotiations.

Rep. [Representative] Leonardo Guerrero (Cavite), the group's spokesman, said that not only the 38 members of the group but the majority of congressmen are "totally disappointed" with Manglapus' performance in the bases negotiations.

"We in the House are not happy. We are totally disappointed with his very poor performance," Guerrero told the INQUIRER in a phone interview.

"He has committed a lot of blunder, he squandered the opportunity for the Philippines to negotiate a good treaty," Guerrero said.

"He should be fired (as panel head). This is our last chance to rectify his blunder," he added.

Guerrero said Manglapus should be replaced by Ambassador Emmanuel Pelaez.

Speaker Ramon Mitra also said earlier he would call for a caucus of congressmen so the House can make a stand on the treaty even if it is the Senate which will act on it.

Guerrero said Manglapus failed to consider the "human factor" in the negotiation.

He said Manglapus' panel, by agreeing that the labor component of the bases will be negotiated 90 days after the treaty was signed, doomed the fate of over 60,000 Filipino base workers especially those from Clark Air Base.

Guerrero said "too much foot-dragging" on the part of Manglapus led to loss of opportunity to clinch a good deal for bases workers.

"Dapat kasi bago pumutok ang Pinatubo para hindi na sana nakaurong ang mga Amerikano sa [It should have been before Pinatubo's eruption, so the Americans would have not backed out] Clark," he said.

Senator Maceda Comments

HK2907102391 Manila Manila Broadcasting Company
DZRH in Tagalog 0030 GMT 29 Jul 91

[Interview with Senator Ernesto Maceda, chairman of the Senate Committee on Defense, by anchorman Joe Taruc on the "Liberty in Action" program—live]

[Excerpt] [Taruc] [passage omitted] First, would you please explain to our listeners the implications of the new bases agreement.

[Maceda] Let us first clarify that there are senators who are anti-bases regardless of whatever agreement is reached; and there are those who have changed their position, not because they are anti-bases but rather because they are anti-Manglapus-Armitage agreement. It is thus clear that in the perception of almost all of the senators, the new bases treaty is defective and we are distressed by this agreement entered into by Secretary Manglapus.

It is because of that agreement that the likes of Senators Osmena and Herrera suggested that the agreement be altered as much as possible; a renegotiation be undertaken. If a longer period of time is needed—say one or two years—the suggestion is to have a temporary or interim extension of one or two years during which we can renegotiate in full, including issues pertaining to laborers and Clark rehabilitation. This means that if there is an extension, the provisions of the present agreement covering 1991 will have to be sustained.

[Taruc] Okay, you know that many are surprised that such an agreement was reached when many points are obviously objectionable.

[Maceda] What is most clear about that is that with the eruption of Mt Pinatubo, they were rattled, obstructed. Second, based on our dinner conversation with Ambassador Pelaez, the problem from the very beginning is that our bases panel, including the president, seems to be disunified in their position—and we even saw that Health Secretary Alfredo Bengzon, vice chairman of the committee, resigned in the end. Ambassador Pelaez confirmed that Secretary Manglapus and Secretary Bengzon were always quarelling, even in front of the Americans, which was very embarrassing.

[Taruc] Another unfortunate thing about this, Mr. Senator, is that the Philippine Senate will reportedly ratify this agreement while the U.S. Senate will just leave it to executive branch action.

[Maceda] That is really very sad. There are two points. Foremost, from the very beginning, Manglapus has been strongly insistent that the U.S. Senate should ratify the said agreement. Second, the Philippine panel has been strongly insistent that the best effort pledge is no longer acceptable. That is, the premise that compensation payment will depend on the graciousness of the U.S. Congress each year. The Philippine panel wants guaranteed compensation, which is as it should be. This means that they have to deliver what they promise. The agreement before was that if they did not agree on guaranteed compensation and insisted only on a best effort pledge, we would not agree to any agreement.

The Philippine panel gave in on those two points in the end. We finally had to swallow whatever final draft Armitage offered, which only provided for the payment of \$203 million as compensation without any clear understanding on labor and on U.S. Senate ratification and with

no guarantee, just a best effort pledge. They just accepted whatever was offered them. That is why those of us who have changed our minds said that we have lost our honor and self-respect.

[Taruc] As if the Americans had said that we can only offer this, take it or leave it.

[Maceda] Much more so with the issue on duration. We were even told to give them 10 years, take it or leave it.

[Taruc] What is worse Senator Maceda, is the pressure being put on us—for example, the transfer of the sugar quota from the Philippines to South Africa. Can you consider this pressure on senators to accept the said agreement?

[Maceda] Yes, that can be perceived as pressure. At least that implies, however, that they [the Americans] are no longer ready to help us and they no longer consider us a special friend. If they want to retain the Philippine sugar quota, especially as part of the Pinatubo assistance for reconstruction and rehabilitation, what they can do with the 2.3 percent quota taken from us and returned to South Africa—according to press dispatches and according to Senator John Kerry of Massachusetts—is to just reduce it minimally and gradually along with other nations with sugar quotas, instead of taking everything away from the Philippines.

[Taruc] In relation to this, there is a call for the Senate to pass a resolution for the investigation of the United States' action to reduce our sugar quota.

[Maceda] That has been already submitted and referred to the committee. You see, first of all, I would also like to understand why this has to happen when millions of money [currency not specified] was spent by our lobbyists there, the sugar regulatory administration officials who are in Washington almost half of the year together with their families and staff, and even using first class air travel and hotel suites.

[Taruc] We were not even given advance information that there was that kind of a plan, and the report that the 2.3 percent sugar quota was being taken away from us came so suddenly.

[Maceda] As we often say, this is another example of our being caught sleeping in a noodle house.

[Taruc] Mr. Senator, in the face of these circumstances, do you personally favor an interim agreement regarding this bases treaty?

[Maceda] I am in favor of having that kind of an interim agreement because we have a Mt. Pinatubo calamity to attend to and we also need continued assistance even under the old terms. If we did not have this Pinatubo crisis, however, and we were given that kind of an agreement, I would not only be anti-Manglapus-Armitage agreement, but I would also be anti-bases—because Senators Saguisag and Tanada are correct in saying that with such very minimal compensation, maybe we could just endure some more suffering and find funds from other sources. We could just open it for bidding to, let us say, any foreign

group, whether it is Japanese or Taiwanese, to take over Clark or Subic or both. I think with that we can receive more than \$203 million from a commercial, industrial developer coming from, say, Japan or Taiwan or even France and Germany.

[Taruc] Foreign Affairs Secretary Manglapus' press dispatches from Kuala Lumpur during the past few days explained that it is not true that we will receive only \$203 million in the said agreement. Is there Department of Foreign Affairs [DFA] initiative or effort to clarify for the senators what other benefits are provided in the agreement?

[Maceda] One of those benefits is the so-called \$150 million for excess military equipment. The truth of the matter is that it is just being given away in almost all parts of the world; because after the cold war, they have excesses which—like their ready-to-eat meals after Desert Storm—can no longer be returned to the United States and were really given away. Whether there is a U.S. bases agreement or not, we can most probably avail ourselves of that. Consider their statement of today that if they take away the sugar quota, they will replace it with additional food aid. My point is that, with or without the bases, they can add the food aid if they take away the sugar quota.

What I am driving at is that Manglapus' statement is not directly connected with the U.S. bases. That was just injected in the treaty or press release as icing to beautify the appearance even if the chocolate underneath no longer tastes like chocolate.

[Taruc] Does the Senate have any plan to call on Manglapus to clarify the details of the agreement?

[Maceda] Senator Herrera has taken the initiative to conduct a hearing regarding the absence of a provision pertaining to the bases workers. Once he is there and the topics on the bases have been opened, however, all angles of the treaty may be asked of him.

[Taruc] Regarding the appointment of General Renato De Villa as new secretary of the Department of National Defense, you were one of the first to express opposition to this.

[Maceda] It is good that we were reminded today by Comelec [Commission on Election] Chairman Christian Monsod that one of the principal recommendations of the Davide Commission was to appoint a civilian to the post of defense secretary. Based on that policy question alone, the president should have followed that. The chain reaction to her insistence on appointing a military man to be secretary of national defense was that she seemed to tell Congress, the speaker, and us in the Senate, that: I have this spirit of contradiction on whatever you like, so I do not like it.

That is why I say that President Aquino's attitude is confrontational and thus she has so far had no chance of having her bases agreement approved—she finds difficulty in passing her proposed tax measures. Everything boils down to her attitude of discarding our stand almost automatically. This is a good lesson for whoever will

replace the president. No president can succeed in a republican democratic system of government where there are three co-equal branches of government without a good working relationship with Congress.

[Taruc] This Commission on Appointment is equally represented by 12 members of the House and 12 members of the Senate. But 12 members of the House who openly expressed earlier that they are solid in opposing the appointment of De Villa seem to have reversed their position after talking to President Aquino.

[Maceda] Yes, but the blunder is on our friend Speaker Mitra because one criticism of him is his indecision. He is not a strong leader and at times he keeps changing his stand. He should carefully consider this issue since he is a presidential candidate and election time is near. If some members of the House reverse their positions when it is clear that if the speaker takes a stand, they will close ranks behind him, questions will arise. Is it because the speaker is indecisive? Is it because there has been a promise to him that either he will be endorsed or Secretary Ramos will not be endorsed—and that she [Aquino] will stay neutral? Or is it because there has been a promise of release of funds? That is what will appear—has there been horse trading? This is very sensitive for Speaker Mitra, also known as the leading presidential candidate of the LDP [Struggle of the Filipino Democrats]

[Taruc] What is the sentiment of the members of the Commission on Appointment?

[Maceda] Well, to say the least, there are many questions about the three years that General De Villa was chief of staff. Those questions will have to be asked. We may change our position depending on his explanations, if he can satisfactorily answer them and erase our doubts. If the president just talks to me or Senators Osmena, Pimentel, or anyone, then I think we cannot be persuaded by way of a caucus in Malacanang.

[Taruc] If, however, many from the Lower House members of the Commission on Appointment reversed their position, pushing for an outright rejection of De Villa's appointment would be difficult.

[Maceda] It will do so because, human as we are and with our Christian orientation, rejection is usually avoided. Still, even if it is only bypassed, the president should take that as a chance for a graceful exit and should appoint a civilian.

[Taruc] Have you heard of any civilian name recommended who can respond to the proposal of the Davide Commission.

[Maceda] Two seem to be acceptable to everybody. First of all, Ambassador Emmanuel Pelaez who reportedly does not want [the post]. If the president would convince him, however, he would give in. Everyone consents that since it is a transition to the new administration, Undersecretary Leonardo Quisumbing is also acceptable.

[Taruc] What will happen if De Villa's appointment cannot be confirmed immediately and there cannot be an outright rejection? Does this mean that General De Villa will remain in office?

[Maceda] Yes, he will, because as ad interim appointee, he took his oath before the Congress opened. The problem would then be that while this controversy drags on, General De Villa cannot fully work. Yet another sad consequence would be that the 1992 budget of the Department of National Defense might be affected, in which case General De Villa might be doing a disservice to the Defense Department and the AFP [Armed Forces of the Philippines].

This problem would not have come to light if only General De Villa had stood firm on his refusal to accept the post. It appears he wanted the post from the very beginning.

[Taruc] One of the problems of the Armed Forces, even before, is the so-called factionalism in the military—which is why there are coup attempts. Will this not be solved by the appointment of De Villa as defense secretary, or has it been solved already?

[Maceda] It was not solved and it will not be solved through General De Villa because the other factions in the Armed Forces perceived, even from the very beginning, that they have not been getting a fair deal in promotions because Secretary Ramos and General De Villa only favor their pets and they usually favor those who come from the Philippine Constabulary [PC]—because General Ramos and General De Villa spent almost their whole military career in the Philippine Constabulary. That is one of the complications.

The Philippine National Police [PNP] and the PC are now separated and are no longer under the Department of National Defense, so even if a military man was appointed to the said post, it would have been better if he had come from the Philippine Army, like Secretary Ileto or General Mison or General Adalem. She appointed someone from the PC, however, and there could be stronger resistance from the Philippine Army, which is the biggest segment of the Philippines Armed Forces. [passage omitted on calamity topics, phoned-in questions]

'Informal' Treaty Vote Slated

*HK2907054691 Quezon City Radyo ng Bayan
in Tagalog 0400 GMT 29 Jul 91*

[Text] The 23-member Senate will hold an informal vote regarding the proposed interim treaty on the military bases today. The treaty is expected to allow a two-year extension of the U.S. facilities in the country after the 1947 Republic of the Philippines-U.S. bases treaty expires this 16 September. Here is Jojo Ismael with the details:

[Begin recording] According to Senate President Jovito Salonga, the senators are due to meet today in a caucus in order to give each senator the chance to express his sentiments regarding the final draft of the military bases agreement which they received last week. Salonga also said

they will informally vote on the interim base treaty proposed by Senator John Osmena. Earlier, Osmena said his proposed interim treaty will allow the continuous retention of the U.S. facilities in the country pending approval of the new bases treaty to replace the 1947 bases agreement.

Meanwhile, 13 senators have outrightly expressed their rejection of the new treaty which contains lower compensation and longer extension for the U.S. bases in the country. [end recording]

U.S. Aid Said Tied to Bases

HK2907113891 Manila Manila Broadcasting Company DZRH in Tagalog 0800 GMT 29 Jul 91

[By Dick Sinchongco, DZRH Unit 6]

[Text] President Cory Aquino today confirmed that the Philippines can expect more assistance from U.S. allies if the Senate ratifies the treaty which will pave the way for the extension of the U.S. military bases in the Philippines. At the same time, the president stressed that the approval of the treaty between the Philippines and the United States will be good for the country. She supported Senator Wigberto Tanada's observation that if the Senate junks the treaty, it may result in the cancellation of loans not only from the United States but from its ally countries like Japan and South Korea. She added that the connection between the U.S. bases and the additional assistance, though not intended, is a fact which the country should face. According to the president, there is no direct linkage between the U.S. bases treaty and the sugar quota reduction. The chief executive said it is only proper to restore the sugar quota taken away from South Africa and temporarily given to the Philippines.

Link of Sugar, Bases Denied

HK2907115091 Manila Manila Broadcasting Company DZRH in Tagalog 0800 GMT 29 Jul 91

[By Dick Sinchongco, DZRH Unit 6]

[Text] Foreign Affairs Secretary Raul Manglapus today clarified that the reduction in the Philippines' sugar quota has no connection to the U.S. military bases issue. Manglapus emphasized that the cut in the Philippines' sugar quota by the United States cannot be considered as putting pressure on the Philippine Government to approve the treaty for the extension of the U.S. military bases in the country. In an interview with Malacanang newsmen, Manglapus said:

[Begin Manglapus recording in English] In this case, what is happening is we have additional quotas when the sugar quotas of Cuba were withdrawn. And so we benefited from that. But now their sugar quotas of [word indistinct] are being restored because of the improvement in the internal political situation there. And as you know, quotas are a fixed part—whatever is given to one country has to be taken from another. [end recording]

Manglapus stated this amid allegations by several senators that the reduction in Manila's sugar quota is a U.S.

Government means of applying pressure on the Philippines. Different sectors questioned the timing by which the quota reduction was implemented. Manglapus added that the quota reduction issue may be included in the agreement being drafted between the Philippines and the United States.

It should be recalled that the United States removed a portion of the Philippine sugar quota, which was earlier allocated for South Africa.

Protection of Workers Ordered

HK3007030391 Manila DWIZ Voice of the Filipino People's Radio in Tagalog 2200 GMT 29 Jul 91

[Text] President Corazon Aquino ordered Foreign Affairs Secretary Raul Manglapus to get an assurance from the United States on the protection of the interests of the 80,000 Filipino workers who will lose their jobs the moment the U.S. leaves Clark Air Base due to damage sustained from the eruption of Mt. Pinatubo. In this connection, Secretary Manglapus said that the U.S. Government and the American Federation of Free Labor Institute will help the 50,000 Filipino workers in Clark, as well as the few thousand Filipino contractual workers affected by the calamity. Manglapus said the Department of Labor continues to explore the skills of the Filipino base workers who lost their jobs in Clark so that it can find new jobs for them not only in the Philippines, but overseas as well.

New Status Sought for Workers

HK3007061791 Quezon City Radyo ng Bayan in Tagalog 0230 GMT 30 Jul 91

[By Tanny Rodriguez from "Malacanang Information Service" in English]

[Text] President Aquino meets today with Central Luzon congressmen representing the provinces severely affected by the continuing Mt. Pinatubo eruptions and the havoc wrought by lahar and mud flows.

The Malacanang meeting will be attended by Budget Secretary Guillermo Carague, who is also chairman of the Presidential Task Force for the Rehabilitation of Mt. Pinatubo Affected Areas. The congressmen expected to meet with the chief executive include Herminio Aquino, Jose Cojuangco Jr., Jose Yap, Enrique Garcia, Felicito Payumo, Pacita Gonzales, Catherine Gordon, Carmelo Lazatin, Emilio Lingad, Marciano Pineda, and Oscar Rodriguez. High on the agenda are the assessment of the damage in the public and private infrastructure devastated by the continuing lahar threats and government efforts at rehabilitating the provinces of Tarlac, Zambales, Pampanga, and Bataan. Earlier, government officials agreed that the rehabilitation projects in the wake of Mt. Pinatubo's eruption and lahar flow delay the reconstruction efforts of government despite President Aquino's call for a speedier pace of rehabilitation. At the same time, the task force chairman, Secretary Carague, assures more funds for the victims of mud flows and Mt. Pinatubo's eruptions. Major infrastructure projects of the government

continue to be devastated by the calamity of the past few weeks. The government will finalize today the package of assistance and benefits to be given to base workers from Clark and Subic who were affected by the eruption of Mt. Pinatubo and the ongoing retrenchment program in the U.S. military. Labor Secretary Ruben Torres will meet with leaders of workers' unions in Clark and Subic, adding that the initial funding for this benefits package may reach \$20 million. Meanwhile, Senator Ernesto Herrera said that President Aquino will make an announcement soon about the benefits and other measures to be given to Clark base workers by the U.S. He gave no details regarding the announcement, but, according to him, the president assures him that she was working on this. He said he thinks that in a few weeks the president will make an announcement regarding what benefits and protection the Clark and Subic workers will be able to get.

Herrera also said that he will look at the new bases treaty with a sympathetic eye if provisions regarding workers compensation and benefits are included in the new bases treaty. He said he wants provisions for workers support funds for training and livelihood, an increased severance pay, and special assistance to base workers to be granted immigrant status to the United States to be included in the treaty. Herrera also said that \$100 million allocated for foreign military financing should be used first for the rehabilitation of areas affected by Mt. Pinatubo rather than to buy new weapons. He said he will take a second look and be a little sympathetic without necessarily saying that he will vote for it because he would like to look at other packages.

30 Jul 'Informal Vote'

HK3007051491 Quezon City Radyo ng Bayan
in Tagalog 0400 GMT 30 Jul 91

[Text] The Senate will hold an informal vote on the mother treaty or the complete provisions of the new military bases treaty between the Philippines and America. In an interview with the Philippine Broadcasting Service news, Senate President Jovito Salonga said each of the senators will give his own view regarding the new agreement. The full report from Jojo Ismael:

[Begin Ismael recording] The mother treaty was received by the Senate from the Philippine negotiating panel headed by Foreign Affairs Secretary Raul Manglapus last night. Salonga said the mother treaty contained new changes in the friendly, cooperation, and security relations. The new treaty will be officially called the agreement on installations, arrangements, and military operating procedures, which will allow the continued stay of U.S. facilities in Subic Naval Base in Olongapo, Zambales.

Salonga said he will immediately send the result of the Senate's informal vote on the mother treaty this afternoon to President Aquino. [end recording]

Senator Angara Views Treaty

HK3007065391 Quezon City Radyo ng Bayan
in Tagalog 0600 GMT 30 Jul 91

[Text] The Philippines and the United States will accept the new RP [Republic of the Philippines]-U.S. Bases Agreement as a treaty and not just as an executive agreement, even if the U.S. Senate does not ratify it. This was the opinion of Senator Edgardo Angara, a known legal expert of the Senate. The entire report comes from Jojo Ysmael.

[Begin Ysmael recording] Senator Angara said that the Philippines should not be too technical or termalistic [as heard] regarding the U.S. manner of treating the validity of a treaty. Angara explained that the new treaty, should it be formally accepted by the U.S. Government, can be treated as a treaty even if it is not yet ratified by their Senate.

Angara also mentioned that recently, U.S. State Department legal experts gave their opinion regarding this issue and clarified that the government's acceptance of the treaty is of the same worth as that of the Senate's ratification of any treaty. [end recording]

New Ties With U.S. Urged

HK3007085391 Manila PHILIPPINE DAILY
INQUIRER in English 30 Jul 91 p 4

[Editorial: "The Yankee Hustle"]

[Text] Let's be clear about a few points: The fate of American military facilities in the Philippines is sealed if everything depended on the draft bases treaty produced last July 18 by the Philippine and American panels. If the constitutional process prescribed for the making of treaties is respected, probases senators cannot muster enough votes to ratify the treaty. As of this writing, the latest staw vote to be taken by Senate President Jovito Salonga is expected to show that more senators are inclined to reject the draft treaty.

The possibility of renegotiating a treaty is unacceptable to the Americans, according to the spokesman of the U.S. panel. Practical considerations, principally that of time, virtually rule out the possibility that a new version can be concluded before the current military bases agreement expires on Sep 16.

The idea floated late last week of a transitory or interim bases treaty is nothing more than a craven shift in strategy for those who want the bases to stay no matter how ignominious and insulting the conditions are. Their fears of a "rupture" in RP [Republic of the Philippines]-U.S. relations are misplaced as well as self-serving. For it is clear the Americans are trying to exact the best deal at a time when the Philippines has seemingly lost all of its bargaining chips, as in the aftermath of World War II.

For sure, the hitch in this treaty between two old allies is not of our making but that of negotiators who regard us so cheaply and with such contempt that they think they can

get away with their brand of cash register-diplomacy and the kind of terms that directly contravene provisions in our Constitution.

But just as galling as this manifestation of Yankee hustle is the warped sense of values of the two senators who proposed a mongrelized treaty that would cleverly stave off the certain death that awaits the July 18 draft in the Senate. They conjure up feasible scenarios of American retaliation on our debilitated economy to justify the deviation from the path that thoughtful men have set down to guide our efforts at rebuilding our democracy. Yet what worse fate can scare a people who have looked at death and devastation after the series of natural calamities.

Let us then write an honorable finish to a relationship that began in abject surrender and build a new one based on mutual respect and reciprocal benefit. We have the opportunity to liquidate an unequal relationship that has lasted almost a full century. Surely there are enough members of the Senate with the sense of history who know what must be done. This responsibility must be faced now and not passed on to the next Senate.

Warning of Military Takeover After 1992 Poll

HK3007035791 Manila DWIZ Voice of the Filipino People's Radio in Tagalog 2200 GMT 29 Jul 91

[Text] A military takeover may occur if no president is declared after the elections in 1992 because of election protests. This was the warning issued by Congressman Jose Peping Cojuangco, the younger brother of President Corazon Aquino.

In his privilege speech, Cojuangco said that it is not a remote possibility that a military takeover would happen in the country due to flaws in the 1987 Constitution. The Constitution states that all government positions occupied by elected officials will become vacant if elections were held on 2 May 1992. Cojuangco said resolving protests may take time and could pave the way for a military takeover. At the same time, he warned that the country may have a dictator president if congress fails to correct the defects of the 1987 Constitution. Cojuangco also asked the Senate to amend the 1987 Constitution in order to give any president of the country the opportunity to run for election again. Aside from this, the legislator said a change in the government system—from a presidential to a parliamentary system—should be studied so that the elected president of the Philippines in the 1992 elections would not appear as a dictator.

Congress Shortens Regular Session by Six Months

HK3007085791 Manila MANILA BULLETIN in English 30 Jul 91 pp 1, 26

[By M. Casayuran]

[Text] Members of Congress agreed last night to shorten its regular session by six months to give them time to campaign in the May 11, 1992, national elections.

The six-month period begins Dec. 14 and ends May 14, or three days after the national polls.

The Senate and House of Representatives decision to hold a shorter regular congressional session came after the Senate held a caucus last week.

Senate Majority Floor Leader Teofisto Guingona Jr. has filed a concurrent resolution providing for the legislative calendar for the fifth regular session of Congress.

Speaker Pro Tempore Antonio Cuenco concurred with the joint Senate-House resolution.

Cuenco's agreement with the Senate reversed an earlier plan of the Lower House to adjourn sine die in January which means the Congress will no longer meet before, during, and after the elections.

The Senate's version was adopted in view of a constitutional provision stating that Congress shall hold sessions until 30 days before the opening of the next regular session.

After reconvening on May 25, Congress adjourns sine die on June 11.

The next regular Congress session begins July 27, 1992, under the new administration.

Of the 23 members of the Senate, 20 expressed intention to seek another term while Senators Vicente T. Paterno and Rene A. V. Saguisag have said they were not interested.

Sen. Sotero H. Laurel also said that he will not run in the coming elections.

The Constitution provides that the top 12 senatorial candidates who will win will serve for six years while the last 12 will stay in office for only three years.

Sen. Ernesto M. Maceda, former executive secretary of the late President Marcos and the Senate's "intellectual maverick," said that the presidential race will be a six- to seven-cornered fight.

Known contenders for the top government post are: Senate and Liberal Party (LP)[Liberal Party] President Jovito R. Salonga; the winner in the Laban ng Demokratikong Pilipino (LDP)[Struggle of the Filipino Democrats] convention being contested by Speaker Ramon V. Mitra and Fidel V. Ramos; the winner in the Nacionalista Party (NP)[National Party] convention being contested by Vice President Salvador H. Laurel, Juan Ponce Enrile, and former ambassador Eduardo Cojuangco; Sen. Joseph Estrada who bolted the LP to form his Partido ng Masang Pilipino (PNP)[Party of the Filipino Masses] Miriam Defensor Santiago; and Sen. Aquilino Q. Pimentel, chairman of the PDP-Laban party.

Sources said that the seventh could be former Executive Secretary Oscar Orbos or Ramos should either or both decide to run as independent candidates if they lose in the LDP convention.

Situation After Pinatubo Eruptions Viewed

P66 Million Allocated

HK2907125991 Manila PHILIPPINE DAILY
INQUIRER in English 29 Jul 91 pp 1, 9

[Text] President Aquino has allocated P[Philippine peso]66 million to finance livelihood projects in four provinces adversely affected by Mount Pinatubo's eruption, Budget Secretary Guillermo N. Carague said yesterday.

Carague, chairman of Task Force Pinatubo, said P50 million has been released to the Department of Agriculture, P10 million to the Department of Trade and Industry, and P2 million each to National Manpower and Youth Council, the Department of Science and Technology, and the Technology and Livelihood Resource Center.

The President on Saturday visited Barangay Sta. Rita, a two-hectare farming community in Concepcion, Tarlac, which was buried by a three-foot-deep lahar. She pledged swift government assistance to evacuees in the hometown of her late husband.

Secretary Carague said the P66-million fund has been used to set up new livelihood projects and rehabilitate enterprises of displaced workers and businessmen.

Carague said 5,525 families were expected to benefit from these livelihood projects.

He said the presidential task force has introduced ash artwork production in San Fernando Pampanga, concrete hollow block production in Olongapo City, fish and meat processing in Subic, Zambales, and Balut-making and bow-and arrow-making in Palsuig, Zambales.

Soap-making and production of novelty items have also been launched in Zambales and Pampanga.

The task force will also train in Tarlac 120 persons in dressmaking, food preservation, basic woodworking, broom-making, cosmetology and basket-weaving, Carague said.

The task force has distributed fruit and vegetable seeds as well as cattle to farmers in Bataan, Pampanga, Zambales and Olongapo City. Demonstration farms will also be set up in Bataan, Zambales and Pampanga.

Camp O'Donnel for Evacuee Use

HK3007012691 Quezon City MALAYA in English
28 Jul 91 pp 1, 2

[By Chit Estella]

[Text] Concepcion, Tarlac—The Philippine Government will use around 30 to 50 hectares of the former U.S. installation in Camp O'Donnel in Capas this province to serve as alternative homesite for evacuees of the Mount Pinatubo eruption.

The plan was announced during a visit to this town by President Aquino Saturday.

The President, who was accompanied by Budget Secretary Guillermo Carague, Secretary Jose de Joya of transportation and communications, acting Defense Secretary Renato de Villa, Rep. Herminio Aquino (LDP [Struggle of the Filipino Democrats], Tarlac), and Press Undesecretary Horacio Paredes, also told evacuees and local government officials that solid rehabilitation work would have to wait until Pinatubo stops erupting.

The Philippine Institute of Volcanology and Seismology earlier said the volcano's activities can be expected to last for three years.

Budget Secretary Carague said O'Donnel, which was among the smaller facilities which the U.S. agreed to turn over to the Philippines, is ideal for the evacuees since it is located near a concrete road, thereby saving the national government the expense of building a new road.

O'Donnel, which is about 370 hectares, is a sub-facility of Clark Air Base. It contains transmitters for the U.S. Air Force and U.S. Navy communications and serves as a regional relay station for the US State Department.

While the area is being prepared, Carague said the national government plans to build a tent city on two hectares of the four-hectare industrial estate in Santiago town, also in Tarlac. Evacuees, numbering 51,000 persons or 8,000 families in the entire province, are currently being housed in town halls and various schools, among them the Concepcion Catholic School which Mrs Aquino visited.

It was the President's first trip to an area affected by lahar.

Wearing a printed blouse, dark slacks and white Nike air rubber shoes, Mrs Aquino also visited the barangay of Sta. Rita which was inundated with mudflow. Lahar roaring through the Parua river swept through the barrio, submerging most houses in three feet of mud and sand and displacing at least one house which was carried down a road. An entire rice field was covered with mud, submerging seedlings and even the paddies making it look like a desert. Visitors like Mrs Aquino who inspected the site were surprised to walk over what felt like a water bed.

A Sta. Rita resident complained that no warnings were received about the coming of the mudflow. Because of this, many were caught unaware.

As the President viewed the damage, she reiterated to local officials a plan of the Department of Trade and Industry to use the ashes from Pinatubo as material for souvenir and other sellable items.

Officials estimate damages to crops to be about P[Philippine pesos]194 million in Tarlac, excluding Concepcion which is estimated to have suffered about P92 million in crop losses. Infrastructure damaged by the eruptions, excluding private property, reportedly amounted to P300 million. About 2,500 houses were totally destroyed and 3,000 partly damaged.

Mrs Aquino said she was assured by the Japanese Government through its prime minister, Taro Nakayama [name as published], that it stands ready to help in rehabilitation

efforts. But the President urged the people to help themselves first so as to encourage foreign donors to pitch in.

But local officials led by suspended Gov. Mariano UN Ocampo III expressed the fear that the damage caused by the mudflow could just be a prelude to bigger catastrophes. He noted that the rainy season was just starting and that stronger typhoon, which could trigger yet more powerful mudflows, could happen within the year.

De Jesus said the government was racing against time as shown in its experience in building a dike at the Parua river. A one-kilometer dike built by Army engineers was washed out when mudflows rushed through this. He said a more permanent structure can be built only when the situation has stabilized.

Carague told local officials that the national government has released P12.8 million for Tarlac, P5.4 billion of which was turned over to the Tarlac mayor for the relief requirement of the various towns. For Concepcion alone, P600,000 was given.

Business Confidence Down

*HK3007103191 Manila THE CHRONICLE in English
30 Jul 91 pp 1, 6*

[By Rodney Dlola]

[Text] Business confidence was dealt a telling blow by the eruptions of Mount Pinatubo, a survey has indicated.

The new survey, conducted by the Financial Executive Institute of the Philippines (Finex) on its members, suggested a strong surge of pessimism among the top financial managers of the country's leading corporations on the prospects of the economy for the rest of the year.

Most of the top company brass interviewed expected dwindling sales and profits because of the poor economic climate.

The Finex survey was conducted on June 25, nearly two weeks after Mt Pinatubo started its eruptions.

According to the survey, only 27

of 67 Finex members surveyed think that the economy will perform from "good" to "very good" for the rest of 1991.

This was a sharp drop from the 66

registered in an April 30 survey almost two months after the end of the Persian Gulf war.

The June survey also indicated that 73

of the top company men interviewed expected dwindling sales and profits because of the poor economic climate.

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The June survey also indicated that 73

of the top company men interviewed forecast "fair" to "poor" performance for the economy in the second half of the year.

Finex president Edwin Fernandez said Pinatubo had punctured the euphoria felt by businessmen just after the Gulf war.

The latest Finex survey also dampened rosy government forecast of a 4

growth in the economy in the second half of the year supposed to be boosted through heightened pump-priming activity.

It was, however, pointed out by some Finex members that other factors might have influenced the CEOs' [Chief Executive Officer] bleak assessment. These factors, they said, might include, among other things, the 9

import levy, the slowdown in import demand, the surge in inflation, the failure of exports to perk up and political uncertainties.

Meanwhile, Japanese and Taiwanese investors have indicated they would wait for the results of the 1992 polls before fully committing their money again to the country.

The wait-and-see attitude, they said, will remain, despite the passage of the new foreign investment law.

The June survey also showed that 36

of the respondents think their company profits in the next two months (July and August) will be "low," compared with 14

in the April survey.

Only 39

believed posting "high" profits in July and August, compared with 51

in the April survey.

About 35

saw a slump in sales in the next two months, compared with only 9.8

who believed so in the April survey.

The respondents, however, reported strong sales and profit performance before the Pinatubo eruption.

Finex officials, however, warned that the latest Finex survey involved fewer respondents than the more bullish April survey.

The June survey had only 67 respondents, meaning only 11 of Finex membership answered the survey sheets distributed during Finex meetings.

By comparison, the April survey involved a larger respondent base of 121 Finex members, or 21

of Finex's total membership.

Respondents of the Finex survey are mostly chief operating officers (COOs), chief operating officers (CEOs) [as received] and the top finance men of their companies.

Fernandez said such a select group of respondents lends credibility to the survey since the interviewees are on top of their company's performance than anyone else.

The poor performance of the economy in the first semester has already translated to poor sales in major companies.

At the San Miguel Corp, for instance, vice president for finance Delfin Gonzales Jr told THE CHRONICLE that the first semester sale of the beer-based conglomerate fell below expectations.

Profits, however, he said, posted a slight improvement because of a more streamlined operations, Gonzalez said.

SMC is the country's largest and most diversified food conglomerate and its performance mirrors the health of the consumer sector in the country.

Gonzales said Mount Pinatubo's effect on SMC sales could affect performance over the next five months.

The affected areas account for 3-4

of SMC's domestic revenue base considering the spending of U.S. servicemen.

Economic forecasters say Pinatubo continues to pose threat of greater damage to Central Luzon's properties and current output.

Finance officials feared that it could constrain government capacity to spur overall economic growth considering its tight budget.

Baring Securities fundamental analyst Alex Pomento said that while the eruption caused less of a concern, mudflows could exact heavier toll on agriculture and commerce of the already battered area.

But the damage, he said, is highly localized and thus other areas may be able to compensate for the losses. It could take years, however, for the affected areas to be fully rehabilitated.

Other economists, however, contend that despite the Pinatubo disaster, the Philippines is still fundamentally ready for an "economic takeoff" next year.

This takeoff is imminent, they claim, because of several important structural reforms that have been undertaken by the government.

These reforms include the controlled budget deficit, the 20 depreciation of the peso last year and the passage of a liberal foreign investment law.

"Those reforms should translate into increased investments in the real sector and will support higher earnings growth potential for companies," an economist of major Makati think-tank said.

Two More High-Ranking NPA Officials Captured

*HK3007103091 Manila Manila Broadcasting Company
DZRH in Tagalog 0800 GMT 30 Jul 91*

[By Fernan Imberga of DZRH unit 22]

[Text] Two more high ranking officials of the New People's Army [NPA] General Command were arrested in a joint operation by the Philippine Army Intelligence and Central Police District in Marikina.

According to Major General Arturo Enrile, Philippine Army chief, the two rebel officials, also said to be close aides of NPA Chief of Staff Romulo Quintanar, are Rey Claro Casambre, alias Bong, and his wife in the party, Corazon Mercado, alias Raya, one of the top cadres of the Politico Military School, or PMS, of the Communist Party of the Philippines [CPP]-NPA.

Claro Casambre, who is said to be the political director of the NPA General Command and for whom there is a half a million peso reward for his capture, was arrested on J.P. Rizal Street, Barangay Concepcion, Marikina at around 2100 [1300 GMT] carrying a Smith and Wesson .22 caliber revolver with six bullets.

His wife Corazon Mercado, meanwhile, was caught in their home at Greenheights Subdivision, Marikina. Mercado carries a reward of 35,000 Philippine pesos, is the head of the personnel staff of the NPA General Command, a member of the political research department, and a top cadre of the PMS of the CPP-NPA.

In addition to being the political director of the NPA General Command, it is said that he is the chief planner of a special project code named Operation Plan Orcads with an objective to liquidate the top government and military officials.

The military and the PNP expect that the arrest of the couple and the three NPA officials, namely Roland Abiog, Vergilio Maceda, and Antonio Lacaba, would create a big vacuum and will be a big blow that will cause widespread demoralization and the weakening of the CPP-NPA, particularly with the rank and file members of the rebel movement.

Thailand

Anan, Solomon Discuss Cambodia, Article 301

*BK2907134191 Bangkok Army Television Channel 5
in Thai 1230 GMT 29 Jul 91*

[Text] Richard Solomon, the assistant U.S. secretary of state for Southeast Asian affairs, called on Prime Minister Anan Panyarachun at Government House today for over an hour. They discussed the Cambodian problem and the

political process that would lead to greater democracy in Thailand as well as U.S. Article 301, which the U.S. hopes to resolve with Thailand.

Speaking to reporters afterward, the prime minister said Thailand will continue to support a meeting of the four Cambodian factions in Bangkok in late August.

[Begin recording] [Anan in progress] ...about the Thai Government proposing a bill on the suppression and prevention of narcotics to the National Assembly. Both sides have expressed hopes that they would reach an agreement on the issues involving Article 301. [end recording]

Meanwhile, the assistant U.S. secretary of state emphasized that the time has come to draft an agreement on a settlement of the Cambodian problem based on the UN peace plan. He also said the United States hopes the coming Supreme National Council meeting in Bangkok would achieve greater success than before.

[Begin recording] [Solomon in progress] ...primary focus of our discussions. We talked about cooperation on a range of other issues, such as narcotics trafficking in this region and our hopes that there would be an early return to an elected government here in Thailand. Thank you. [end recording]

Increased Regional Military Spending Criticized

BK3007024591 Bangkok THE NATION in English
30 Jul 91 p A8

[Editorial: "ASEAN Leaders Must Leave Behind Cold War Mentality"]

[Text] The Bush-Gorbachev summit in Moscow this week was supposed to be the "first post-Cold War summit" in which the arms race between the two superpowers no longer is the central issue. Bush will assure Gorbachev of continuing Western support for perestroika and reforms in the Soviet Union. Gorbachev, on the other hand, will clarify his call for the Communist Party of the Soviet Union to end "class struggle" and turn the country into a social democracy, instead of chasing the illusory goal of transforming it into the first classless society on earth.

The Cold War has not only ended, but Gorbachev is practically conceding the defeat of the socialist camp by seeking the help of Western capitalists in reviving the Soviet economy, which is half dead with malfunctions and communist incompetence. Bush and other Western leaders will no doubt find Gorbachev's pleas for help more and more difficult to ignore. The Soviet Union, therefore, will end up being the largest recipient of the so-called peace dividend.

In Asia and the Pacific, however, the peace dividend will not trickle down any time soon. In fact, many countries in the region continue to increase their military spending and justify it with security reasons from the Cold War era. While Bush is heading for Moscow to discuss how the West can help Gorbachev and the Soviet Union, U.S. Pacific

Commander Adm Charles Larson is touring ASEAN countries to look for locations to relocate the massive U.S. airborne force that used to be stationed at the Clark Airbase in the Philippines.

Richard Armitage, the chief U.S. negotiator in the base talks with the Philippines, emphasizes that the U.S. will definitely abandon Clark base by September 1992. The base—the largest overseas for United States—has been heavily damaged by ash and mud from the recent eruptions of Mount Pinatubo. The damage and the high probability of more eruptions in the near future makes it no longer feasible to reopen the air base for normal operations. Lingering anti-U.S. sentiments in the Philippines have also prompted the U.S. Pacific commander to look for alternative bases elsewhere.

Singapore is one obvious location. The island republic has agreed to host a small number of USAF F-16 jet interceptors and repair U.S. warships. Maybe Singapore will welcome a larger number of U.S. warplanes. Singapore leaders have long advocated continued U.S. military presence in Southeast Asia as a "stabilizing force". The token U.S. presence in Singapore may mean little in strategic terms, but it could help alleviate the security paranoia of the Singapore Government, which publicly vowed during the Gulf crisis that the island state would never be a "second Kuwait."

Brunei is another possibility. Brunei tends to see eye to eye with Singapore in regional security issues. The Brunei Darussalam monarchy has near absolute control of the country and will have no domestic political problem in housing U.S. military installations.

But both Indonesia and Malaysia oppose continued U.S. military presence in Southeast Asia, seeing it as a major obstacle to the realization of ASEAN's novel goal of transforming Southeast Asia into a "zone of peace, freedom and neutrality" (ZOPFAN), free from nuclear weapons. Malaysian Defence Minister Najid Tun Razak reiterated this view over the weekend in response to Adm Larson's probe for new U.S. bases.

Adm Larson will come to Bangkok sometime this week to sound out Thailand's opinions on this issue. He will find this country a peculiar case. The Thai military is openly in favour of a continued U.S. military presence in this region. The U.S. Air Force has limited access to the sprawling U-Tapao Air Base, home of the B-52 giant bombers during the Vietnam War. But Thai military leaders realize that offering additional military installations to the U.S.—which strictly speaking is a military ally of Thailand—would stir up serious protests.

Prime Minister Anan Panyarachun, who was permanent secretary of foreign affairs during the Khukrit administration in 1975-76, played a major role in demanding a speedy dismantling of all the U.S. bases in Thailand and unconditional closure of the electronic Ramasun spy station in Udon Thani. It would be extremely difficult, if not impossible altogether, for Adm Larson to talk the Anan administration into inviting the U.S. forces to reopen bases here.

U.S. bases in mainland Southeast Asia will be viewed with suspicion in Indochina and rekindle the Cold War hostility which used to divide ASEAN from Indochina. ASEAN countries hosting U.S. military installations will continue to be seen as hypocrites who profess to believe in international cooperation for peaceful coexistence and mutual benefit, yet allow themselves to be used as Cold War pawns by the U.S. military.

In the long run the security of Southeast Asia lies in the ability of all the countries in the region, particularly their military leaders, to discard their old mentality and accept the post-Cold War reality. It is their ability to cooperate and resolve their common problems through peaceful means that will guarantee peace and prosperity—not the U.S. military, which always has to look after the United States' interests first.

Group To Attend ASEAN Information Meeting

*BK3007021091 Bangkok Radio Thailand Network
in Thai 0000 GMT 30 Jul 91*

[Text] The Technical Division of the Public Relations Department has announced that Michai Wirawaithaya, minister attached to the Prime Minister's Office will lead the Thai delegation to the second ASEAN Information Ministers Meeting to be held in Kuala Lumpur during 1-2 August.

Prior to the ministerial meeting is a meeting of ASEAN senior officials on information from 29-30 July also in Kuala Lumpur. The Thai delegation is led by Thawat Meksawan, director general of the Public Relations Department.

The ASEAN information ministerial meetings are held every other year with ASEAN member countries hosting on a rotating basis. The first meeting was held in Jakarta from 24-25 May 1989.

Supply Line to Cambodia Reopened by UN

*BK2507013391 Bangkok THE NATION in English
25 JUL 91 p 2*

[Excerpts] The United Nations yesterday sent seven tonnes of emergency medical supplies to about 180,000 refugees being sheltered in camps in Phnom Penh-controlled Cambodia in the first overland aid shipment from Thailand since 1975.

Dennis McNamara, deputy special representative of the Secretary General for humanitarian assistance to Cambodians, said his office would send more medical as well as food supplies to Phnom Penh by road if the first shipment goes smoothly. [passage omitted]

The UN has previously delivered the bulk of its food and medical supplies to Cambodia by sea through Singapore port while part of the aid has been airlifted from Vietnam.

UN trucks carrying the medical supplies, comprising anti-tuberculosis, malaria and leprosy drugs, crossed a newly-reconstructed bridge from Thailand's Aranyaprathet district into this Cambodian border town where their cargo was handed over to Cambodian Red Cross officials.

The cargo was then reloaded onto Cambodian Red Cross trucks which set off on the 350-kilometre journey to Phnom Penh under military escort yesterday morning.

A UN official said an escort by Phnom Penh troops was necessary because travellers on the 50-kilometre stretch between Poi Pet and Sisophon had been occasionally attacked by bandits. [passage omitted]

Yesterday's shipment was made possible under an agreement reached by Thai and Phnom Penh authorities on humanitarian grounds despite Thailand's official support for the three resistance forces which fought to overthrow the Phnom Penh regime over the past 12 years. [passage omitted]

Source Says Ambassador to Cambodian SNC Chosen

*BK2707011791 Bangkok BANGKOK POST in English
27 Jul 91 p 2*

[Text] Consul General in Hong Kong Sunai Bunyasiriphan has been tipped to be named Thai ambassador to Cambodia, an informed Foreign Ministry source said yesterday.

The Foreign Ministry disagreed with the military nomination of Maj Gen Nawet Nangongkhai, an officer attached to the Supreme Command who is familiar with Cambodian affairs, as envoy to Cambodia, the source said.

Mr Sunai, who has been consul general in Hong Kong for two years, was once posted to Hanoi as minister counsellor, also for two years.

He speaks fluent French, is familiar with Supreme National Council President Prince Norodom Sihanouk and has involved himself in Indochinese refugee affairs.

A technical team will leave soon for Phnom Penh to look for a new site for the Thai Embassy, the source said.

Land documents for the old Thai Embassy had been lost, the source said.

The Thai Embassy in Phnom Penh was vacated in 1975 when the Khmer Rouge seized Cambodia.

Meanwhile, U.S. Assistant Secretary of State for East Asia and Pacific Affairs Richard Solomon is scheduled to meet Foreign Minister Asa Sarasin tomorrow.

Mr Solomon who arrived in Bangkok on Thursday from Kuala Lumpur will call on Prime Minister Anan Panyarachun for discussions on Monday.

The assistant secretary is scheduled to meet in Bangkok with Vietnamese Vice Foreign Minister Le Mai on Tuesday.

The meeting, requested by the Vietnamese, is the first between the assistant secretary and Vietnamese officials since their meeting in New York on April 9.

He will leave Bangkok for Micronesia, on Tuesday.

Senior Officials on Khmer Rouge Support

*BK3007023191 Bangkok BANGKOK POST in English
30 Jul 91 p 6*

[Text] Senior government officials have assured Phnom Penh that Thailand will not support the Khmer Rouge's return to power once a settlement of the Cambodian conflict is reached.

Army Chief Gen Suchinda Khraprayun gave the assurance to senior Phnom Penh Politburo member Chea Sim during a meeting in Bangkok on July 12, informed sources said yesterday.

Foreign Minister Asa Sarasin gave a similar assurance to Mr Chea Sim during their meeting, the sources said.

Mr Chea Sim's Bangkok visit two weeks ago was just days before the Cambodian Supreme National Council meeting in Beijing on July 17-19. He had just visited France and was on his way to Tokyo.

During their meetings with Mr Chea Sim, both Gen Suchinda and Mr Asa urged the Phnom Penh leader to resolve the Cambodian conflict as soon as possible and expressed hope a settlement could be reached in early October.

The second Supreme National Council meeting is scheduled for Thailand from Aug 26-28.

Gen Suchinda also offered Mr Chea Sim the use of Thai explosives experts in clearing land mines inside his country.

Mr Chea Sim in turn was asked to assist in setting up a Thai Military Bank office in Koh Kong opposite Trat Province, the sources said.

Mr Chea Sim reportedly told Gen Suchinda Cambodia would continue to remain friends with its eastern neighbour, Vietnam.

Laos Wants To Invest in Transport Firm

*BK3007010991 Bangkok BANGKOK POST in English
30 Jul 91 p 6*

[Text] Laos has proposed to invest in a Thai transport company to handle its import and export of goods through the Klong Toey port instead of the Express Transport Organisation [ETO], Transport and Communications Permanent Secretary Sawang Sinintha said yesterday.

Laos has complained in the past that ETO has overcharged for its services.

Under the proposal, Vientiane will hold 49 percent equity in the Thai transport firm while the rest will be held by Thai partners.

Mr Sawang said the National Security Council [NSC] has approved the Lao proposal in principle.

But the proposal has yet to be approved by the Cabinet and the fee rate will have to be determined by a committee to be set up by the government, he said.

The committee will comprise representatives from the NSC, commerce, foreign and communications ministries and the Customs Department.

72 Lao Refugees, Immigrants To Be Repatriated

*BK2707081891 Bangkok Radio Thailand Network
in Thai 0530 GMT 27 Jul 91*

[Text] Sub Lieutenant Kitti Prathumkaeo, inspector and spokesman of the Interior Ministry, announced that the Interior Ministry and the UNHCR will jointly repatriate a total of 72 Lao refugees and illegal immigrants on a voluntary basis on 29 and 31 July.

They are from the Bang Na Pho and Ban Nong Saeng refugee camps in Muang District, Nakhon Phanom Province, and the refugee camp in Phanat Nikhom District, Chon Buri Province.

They will be sent back through the immigration checkpoints in Muang District, Mukdahan Province, and Phibun Mangsahan District, Ubon Ratchathani Province at 1400 on 29 July and at 1100 on 31 July respectively.

The Foreign Ministry has already been informed of the matter, the Interior Ministry official said.

Kitti went on to say that in order to facilitate the future repatriations of Lao people, Niwat Phibun, deputy permanent secretary for security of the Interior Ministry, acting on behalf of the permanent secretary of the ministry, has issued letters instructing the provincial governors of Phayao, Loei, and Nakhon Phanom, where the refugee camps under the control of the Interior Ministry are located, to explain to the refugees so they will understand their status after they return. This is because the Lao Government has guaranteed that they will be safe and pardoned when they return to Laos. They can also appeal for return of their properties, such as land and homes, within six months, concluded Kitti.

Government To Help Laos Expand Airport

*BK2907020791 Bangkok BANGKOK POST in English
29 Jul 91 p 3*

[Excerpt] Thailand has agreed to help Laos expand Luang Prabang airport to accommodate air traffic to and from Don Muang and Chiang Mai to promote the tourism industry of both countries.

Deputy Foreign Minister Wichian Watthanakhun, speaking to reporters on his return from a four-day visit to Laos, said the Thai decision was made after a request by Laotian authorities.

Mr Wichian said the Transport and Communications Ministry would send a team of technical officials to Luang Prabang soon to conduct a survey for the expansion work.

Laos initially asked Thailand to help expand the airport during a visit to Vientiane by Army Chief Gen Suchinda Khraprayun in March.

Laos also asked Thailand to help set up a relay station in Luang Phrabang to enable it to broadcast the five Thai television channels.

Mr Wichian said Laotians in Vientiane and the southern part of the country closely follow Thai television programmes.

A team of Thai technical experts have left for Laos to help set up the TV relay station in Luang Phrabang, he said.

The deputy minister said Thai-Lao relations had improved significantly and that Bangkok had tried to respond positively to the requests of its neighbour. [passage omitted]

Joint Investment With SRV in Gas Plant

*BK3007012991 Bangkok THE NATION in English
30 Jul 91 p A2*

[Text] The board of directors of the state-owned Petroleum Authority of Thailand (PTT) yesterday approved in principle a joint venture investment between PTT Exploration and Production Co and Petro Vietnam in a natural gas separation plant.

The project will separate gas found in the White Tiger area off the Vietnamese coast, where Vietnam and the Soviet Union have a joint petroleum concession.

The gas is found as an associate output of oil where the daily production is 60,000 to 70,000 barrels per day. The output of the gas, which is currently burnt off as waste, is estimated to be 75 million cubic feet per day.

The expected amount to be invested in the gas-separation plant, which will be capable of producing liquified petroleum gas (LPG), is not yet known. The output will be consumed in Vietnam with the possibility of exporting a surplus to Thailand, according to PTT officials.

The PTT board also approved a plan by PTT Exploration and Production, a wholly-owned subsidiary, to negotiate with the Vietnamese authorities over conducting joint petroleum exploration in the overlapping offshore area between Thailand and Vietnam.

The joint project would proceed in the same manner as the joint project with the Malaysian Government in the Joint Development Area (JDA) in the southern part of the Gulf of Thailand.

The project in the overlapping area between Vietnam and Thailand will be highly feasible if natural gas is found since the joint concession area is located only 100 km from PTT's main pipeline from the Gulf to the gas separation plant at Mab Ta Put district in Rayong.

Details on the joint exploration are expected to be worked out when Industry Minister Sippanon Ketuthat visits Hanoi in the near future.

The PTT board also approved a proposal by the state-owned oil company to select an engineering adviser for the

construction of the country's fourth gas separation plant at Kanom District in Nakon Si Thammarat. The investment will be [baht] Bt1.6 billion.

The investment proposal will be submitted by PTT to the National Economic and Social Development Board. The construction of the fourth plant would have to be completed before the completion of the pipeline from the Erawan field to Kanom in early 1994.

Selection of the engineering adviser will be made from among the four companies which earlier participated in the bid for the third gas separation plant in Mab Ta Put. They are Fuo Daniel, Bechtel, Linde and Foster Wheeler.

Petroleum Authority Director Interviewed

*BK3007020991 Bangkok THE NATION in English
30 Jul 91 p B3*

[Interview with Luan Kritsnakri, director of the Petroleum Authority of Thailand, by unidentified NATION correspondent; date, place not given]

[Text]

[NATION] What is your investment policy concerning Vietnam?

[Luan] Thailand has a big demand for natural gas. We look for sources inside Indochina and Burma. Whether we can succeed in the negotiations is in the future. But there are a lot of problems in negotiating with socialist countries because they are not so open.

We are interested in Vietnam because it is producing 70,000 barrels of oil per day for the Soviets. 70 million cubic feet of gas, a by product of this production, is burnt as waste—an amount larger than the Larn Krabue. If we can import from Vietnam we could produce as much as 700-800 tonnes of gas. But Vietnam does not have a gas separation plant.

[NATION] We heard that the Soviet Union wishes to jointly invest with Thailand?

[Luan] PTT [Petroleum Authority of Thailand] Exploration and Production Co is spearheading the talks. The Soviets have the petroleum concession in Vietnam, but we haven't talked with the Soviets. We are only talking to Vietnam since it still owns the gas.

[NATION] What progress is being made?

[Luan] Pricing under the investment principle should not be a problem, but negotiations with a socialist country are complex. In short, they do not trust us. But they want to use the petroleum if we separate the gas for the electricity generating plant.

[NATION] What about Burma?

[Luan] Negotiations are still proceeding, a decision which is up to one man. We believe there are a lot of petroleum reserves in the Gulf of Metama.

[NATION] The Economic Screening Committee recently approved a PTT restructuring package. As the new governor, how will you restructure the organization of PTT?

[Luan] The idea is very simple. We want to administer independently without too much bureaucracy. Decisions should only be made between the executive board and the main board. Before, we had to seek approvals on all changes from the government, like the creation of a new division and the adjustment of salaries. But we need quick decision making to respond to the fast-changing environment and competition. We cannot work under the present system. It becomes dangerous without legal support if we have to make quick decisions.

Under the new structure, the PTT board will have all the power to make decisions without needing to go to the Cabinet. Secondary power rests with the executive board.

PTT is also divided into groups comprising petroleum, natural gas, petrochemical and a central unit which provides support to each group in the areas of car rental, office space and computers. The central unit will charge fees on the groups so their performance can be judged and will take charge of planning and making decisions.

[NATION] Have all the points in the restructuring package been approved?

[Luan] Yes. However, the Finance Ministry did not propose what we recommended but as a general principle in the management of state enterprises. If state enterprises can meet the conditions within their own organization, the government will not get involved. If they cannot meet the conditions they will have to use the previous administrative guidelines. I think this is fair enough.

The conditions include specific returns to investment and assets, personnel expenses, production facility, productivity and annual financial contributions to the treasury. PTT is in a position to meet these conditions. I think it is good that we have targets.

[NATION] What are other things which PTT wishes to do?

[Luan] The priority is manpower. We are facing a major braindrain, especially at middle management level. 25 percent of our technicians have left which could lead to problems in the future. We need to accelerate building our manpower base.

At the gas separation plant, 30-40 of our 100 technicians left. We are very concerned with the quality of the new recruits—they are not substitutes for the quality of people who left. Salaries and advancement are important, both of which we can offer as a large organization. But our problem is that we are paying Bt4,600 per month compared to Bt12,000 in the private sector.

If we can solve the salary problem we will be able to compete with the private sector. We have the financial power and the top executives are still with us—something we cannot guarantee in the future. In the past, 60 people would apply for one position but now if we get three applicants for 60 posts we're lucky.

[NATION] Has the manpower shortage affected any of PTT's projects?

[Luan] The problem has worsened in the last few years but it is solvable if the government moves fast. We can correct the situation with support from various agencies.

[NATION] How is the competition?

[Luan] We're still strong, but we have to look at our role. We are not profit oriented, but an instrument which acts in accordance with the government's energy policy to solve energy problems. We have supported the government fully over the policy to float oil prices and to introduce unleaded gasoline.

But sometimes we forget our role and think that we must go for profit. This is no sin because we have to stand on our own feet. But most importantly, we act as arms and legs of the government. I always say that we can do whatever the government wishes us to even if we lose a little profit.

[NATION] How is PTT doing financially?

[Luan] Very good. The market share is also satisfactory at 23 per cent, which is number 3, and 31 percent inclusive of state enterprises, which is number 1. We will also be getting almost [baht] Bt3 billion overdue payment from the Bangkok Mass Transit Authority.

[NATION] Has PTT played a leading role in reducing oil prices?

[Luan] We had to bring private sector prices down and prevent collusion. If we don't nobody will. We now have 1,080 petrol stations—more than anyone else.

500 Billion Baht Expected for Industrial Exports

BK2707081391 Bangkok Radio Thailand Network in English 0000 GMT 27 Jul 91

[Text] Thailand is expected to earn 500 billion baht from industrial exports this year. The value represents 70 percent of the country's total export revenues making industrial products the fourth largest export earner.

Industry Minister Sippanon Ketuthat says the ministry gives constant support to various industries and its present policy underlines development of industry, which places emphasis on environmental conservation.

Besides, some industrial activities will be decentralized to the provinces, or those unable to meet market demand will be further liberalized in order to encourage greater production.

Decoration Presented to Malaysian Minister

BK2907142591 Bangkok Army Television Channel 5 in Thai 1230 GMT 29 Jul 91

[Text] Malaysian Defense Minister Datuk Najib Tun Razak paid a courtesy call on Admiral Praphat Kritsan-achan, the Navy commander and concurrently the defense minister, at Navy Headquarters. Adm. Praphat escorted the Malaysian visitor to inspect the honor guards from the three armed forces before they held discussions on issues

which will enhance good understanding and relations between the armed forces of the two countries. Adm. Praphat also conferred on the visitor the royal decoration King Grang Cross of the Most Exalted Order of the White Elephant.

Objection to Interim Constitution Provision

BK2807022091 Bangkok THE NATION in English
28 Jul 91 p B3

[Editorial: "The burden of proof is on the NPKC leaders"]

[Text] Critics of the National Peace Keeping Council [NPKC] have raised a hue and cry about several provisions in the draft constitution, which they insist are "undemocratic". Most of them strongly oppose in particular the inclusion of Article 27 of the interim Constitution in the provisional addendum of the draft charter. In effect, they argue, the de facto power in Article 27 could enable the NPKC leaders to manipulate the next general election and cling to power.

Prachakon Thai Party leader Samak Sundarawet goes as far as comparing the NPKC to Burma's State Law and Order Restoration Council [SLORC]; the dreaded Burmese military junta held a highly-publicized general election in May 1990 but has refused to hand over government power to the assembly of elected representatives dominated by anti-SLORC opposition parties. Others warn the NPKC leaders not to "disappoint" the people, or else face another popular uprising like the one that overthrew the Thanom military dictatorship in October 1973.

However, a spokesman for the Constitution Drafting Committee contends that the power of Article 27 may still be necessary to ensure an orderly election and, more importantly, to avert another coup in the near future. With this power, the NPKC leaders could attempt to tackle any political crisis without seizing government power again.

Indeed there is no reason to fear Thailand would degenerate into a second Burma. Thailand can hardly be compared to Burma in too many respects. The political sophistication in Thailand is much higher than in Burma. And unlike their Burmese counterparts in SLORC, the NPKC leaders do not have absolute control of all powers.

Most of the NPKC leaders understand the need to hand over government power to a civilian-led caretaker administration and hold the promised election as soon as possible. Thus they chose Anan Panyarachun as prime minister and set the deadline to hold the election by no later than the end of next April.

Incorporating the power of Article 27 in the new constitution need not be a cause of grave concern. Under this controversial article, either the NPKC chairman or the prime minister can initiate the use of the de facto absolute power to deal with all the political crises and national emergencies. But before any action can be taken, it must first have the approval of the prime minister (and of the NPKC chairman in case the prime minister initiates the action) and the NPKC.

For nearly five months since the promulgation of the interim Constitution, neither NPKC Chairman Gen Sunthorn Khongsomphon nor Premier Anan has initiated any action under Article 27. In fact Premier Anan has clearly disassociated himself from it, stressing that he does not want to wield this power under any political circumstance. As long as Premier Anan stands firm on this position—and there is little doubt that he might not, Article 27 becomes practically irrelevant.

Thus there is no cause for serious concern when it is included in the draft constitution. A more pertinent argument against incorporating the power of Article 27 in the new constitution is that it is unnecessary, rather than that it could help the NPKC hold on to power. Even without it, the NPKC has more than enough military power to deal with any emergency. Under the draft constitution, the NPKC will be disbanded on the day the new Parliament (the elected House of Representatives plus the appointed Senate) convenes its first joint session. But NPKC Deputy Chairman Gen Suchinda Khraprayun will continue to head the Army while his deputy, Gen Itsaraphong Nunkaew, stays on as the interior minister until the Anan administration is succeeded by a new Cabinet.

What is more objectionable than Article 27 is the active role of the NPKC in appointing the powerful Constitutional Committee. Under the draft constitution, the NPKC, the Anan administration, the National Assembly and the Juridical Commission will each nominate two members; these eight nominees will then select a ninth member who also serves as chairman of the committee. The committee will be in charge of selecting 1,350 senator-nominees, who will in turn elect 270 senators from their number. The Constitution Committee will police the general election, investigate complaints of vote-buying and other election fraud, etc.

In theory, the NPKC could have control over a majority of the nine-member Constitutional Committee, whose term is tentatively set at eight years. During this period, nothing short of a constitutional amendment may alter the committee's composition. Few people outside the NPKC are comfortable with such heavy reliance on the NPKC's goodwill and good judgment in selecting the right persons for this crucial body. And amending the new constitution will be much more difficult, requiring the support or two-thirds the total number of parliamentarians. Granted that all the 360 MPs want a constitutional amendment, they still need the support of at least 60 of the 270 senators to push the amendment through Parliament.

To be fair, those committee members chosen by the NPKC, the Anan administration and the National Assembly should be replaced by new members selected by the new Senate, the new elected civilian administration, and the House of Representatives respectively.

All the NPKC leaders have hitherto maintained that they have "no political ambition" of clinging to government power by any means after their military council is dissolved. Most of them had already claimed they would

never seize power in a coup under any circumstance because "coups were obsolete".

So far the NPKC leaders have not succeeded in proving beyond any reasonable doubt that they indeed intend to return government power to the people. The burden of proof is on the NPKC leaders, especially now that the draft constitution turns out to be quite short of public expectations.

Opposition to Constitution Proposals Increases

*BK3007015591 Bangkok BANGKOK POST in English
30 Jul 91 p 3*

[Text] Opposition to proposals contained in the draft constitution continued to grow yesterday with former Chachoengsao MP [member of parliament] Chaturon Chaisaeng calling for a public debate, possibly at Sanam Luang, involving academics and students.

Palang Tham Party leader Maj-Gen Chamlong Simuang was also critical of the draft, in particular the retention of Article 27 of the interim Constitution which empowers the prime minister and National Peace Keeping Council [NPKC] chairman to exercise summary power in dealing with issues thought to endanger national security, the economy and public morale.

Mr Chaturon said there were three points in the constitution which he would like the Constitution Drafting Committee to reconsider.

These are retention of Article 27, the manner of selecting the powerful Constitution Committee and the authority needed for constitutional amendments.

The former MP said these three points formed the basis of criticism of the draft charter and were designed to perpetuate the power of the NPKC.

"Just look at what is needed for a constitutional amendment," he said.

"The charter is written in such a way that any amendment to a clause will require the support of two-thirds of members from both houses.

"This is almost impossible, so the only alternative left to amend the charter is to stage a coup."

Mr Chaturon rejected the contention put forward by an NPKC member that the retention of Article 27 was meant to prevent coups.

"It is more likely to encourage another coup by the same group of people who staged the last take-over if they consider the new prime minister unsuitable," he said.

Mr Chaturon said the retention of Article 27 might be exploited by some elements to intimidate their political opponents.

Maj-Gen Chamlong agreed there was no need to retain Article 27. He said both the government and NPKC already had sufficient power to handle any unrest.

The leader said the article would not help prevent a coup as this could only be possible through eliminating corruption, vote-buying and the redistribution of power and income to the provinces.

"After five, months of the NPKC (seizing power), I see nothing new," he said.

Maj-Gen Chamlong said the NPKC should have launched something new by now, suggesting the total separation of powers between the administrative and legislative branches of government.

He said the NPKC could have used its time in power to separate the power system and hand administrative authority over to the provinces.

"There first should be elections for governor in all the major provinces, then all 73 provinces before finally also electing kamnans and village headmen," he said.

If the NPKC does not lay down this power basis for the new government and the provinces, then any new government will encounter the same problems, he said.

Maj-Gen Chamlong also said the appointment of senators under the new charter was too complex and members of the Upper House should be elected in the same way as the Lower House.

The draft constitution establishes a system of government similar to the previous system and all others before it since the end of absolute monarchy, he said.

Maj-Gen Chamlong, asked about the challenge from the Democrat and Prachakorn Thai Parties for him to resign his position as city governor or contest the general election, said he was not a child to go around accepting challenges to a fist fights.

Drafting Committee Refuses To Drop Article 27

*BK3007021591 Bangkok BANGKOK POST in English
30 Jul 91 p 1*

[Text] The Constitution Drafting Committee has agreed to shorten the tenure of Constitution Committee members in deference to public opinion, but refused to drop the interim Constitution's Article 27 from the new charter.

Committee spokesman Dr Adun Wichiancharoen said the tenure of the Constitution Committee members had been shortened from seven to five years and new provisions would make it easier to suspend members should they be found guilty of misconduct.

The tenure of members of the interim Constitution Committee will be reduced to one year from the original proposal of seven years.

The interim committee's responsibilities include selecting 1,350 senatorial candidates, overseeing elections, taking electoral complaints and submitting the results of investigation to the Constitutional Tribunal for a final decision on whether to declare an election null and void.

Dr Abdul said the committee agreed to make the changes based on criticisms from politicians, academics and the public.

The committee finished drafting the constitution last week, and yesterday began reviewing the draft, going through Articles 1-82.

The interim Constitutional Committee will have nine members made up of two representatives each from the Government, the Juridical Council, the Senate and the House of Representatives, with the ninth member, the chairman, selected by the representatives themselves.

Under the provisional clause in the original draft, the National Peace Keeping Council [NPKC] was to nominate the Senate representatives and the National Legislative Assembly the House representatives prior to the appointment of these members by regular means.

It was originally agreed the committee should serve a seven-year term, but critics claimed this would enable the NPKC to cling to power throughout the period.

As a result it was agreed yesterday the interim Constitution Committee would serve only one year in the belief it would be able to complete its duties in that time.

It will then be replaced by a new Constitution Committee which will serve a five-year term.

Members of the interim committee may be re-appointed to the new committee, but those serving a full five years on the new committee must be replaced.

Any member of the Constitution Committee found guilty of misconduct can be dismissed by the Constitutional Tribunal at the recommendation of one-third of combined members of the House of Representatives and the Senate.

Originally, approval from 50 per cent of Upper and Lower House members was needed to dismiss a committee member.

Constitution Drafting Committee chairman Michai Ruchunphan, meanwhile, said there were no plans to reconsider the decision to retain the National Peace Keeping Council's [NPKC] summary powers under Article 27 of the new charter.

He said the committee would listen to rational argument, but some criticism of retaining Article 27 was too emotionally charged.

Mr Michai's comments appeared to refer to claims by the Students' Federation of Thailand [SFT] that the draft constitution was designed to serve the interests of the NPKC and not those of the nation.

The SFT held a rally Sunday at Victory Monument demanding a democratic constitution.

"The accusation that the committee wants to please the NPKC is emotional," Mr Michai said, maintaining that the committee was impartial and had considered the interests of the public.

The committee will not rethink the controversial article because there are no valid reasons to do so, he said. Earlier he said the draft could be reviewed.

To give in to pressure from the students would suggest the committee was partial to the military council in the first place, Mr Michai said, adding that neither the NPKC nor the Government had any role in determining whether Article 27 was to be revoked—even though they exercise the power.

The decision rested entirely with the drafting committee, he said.

Mr Michai insisted the retention of the summary powers would not lead to any military council and was not meant to silence political opposition.

He said no further guarantees were needed as people could freely and fully criticise the NPKC.

Mr Michai said he was not bothered by criticism of the draft constitution as there was an equal amount of support for the charter.

Chatchai To Testify Before Assets Committee

BK3007010191 Bangkok THE NATION in English
30 Jul 91 pp A1-A2

[Excerpt] Former Premier Gen Chatchai Chunnawan plans to return to Thailand this week to try to clear himself of the charge of being "unusually wealthy" and to participate in the celebration on Her Majesty the Queen's birthday anniversary on August 12, his nephew-in-law told THE NATION.

Dr Pranpri Mahitthanakun, speaking in a long-distance phone interview from London, said the former premier was considering the dates to fly back to Bangkok.

Arrangements were being made in Bangkok to book a ticket for his flight back to the Thai capital any day from Tuesday to Friday, said Pranpri, who took care of Chatchai when they were in military custody following the Feb 23 coup. He has continued to look after Chatchai during ex-premier's self-exile in London after his release from custody until now.

"Gen Chatchai wants to testify to the Assets Investigation Committee in person, although the panel of Gen Sit Chirarot has allowed his wife, Thanphuying Bunruan, or a close relative, to do it on his behalf," Pranpri said.

Dismissing as groundless a published report in Bangkok that the ex-premier would not return home soon "for the sake of peace and order", Pranpri asserted that Gen Chatchai wanted to do so as soon as possible.

Pranpri said the ex-premier had closely monitored public statements by those in power in Thailand who indicated that they would not mind his return.

He was apparently referring to published interviews by military leaders, including Army Commander-in-Chief Gen Suchinda Kraprayun, Interior Minister Gen Itsaraphong Nunphakdi and Air Force Commander-in-Chief

ACM Kaset Rotchananin, who said the National Peace Keeping Council (NPKC) would not bar him from coming back to Thailand.

Chatchai did not get in touch with NPKC or government leaders, Prapri added.

The ex-premier was aware of the call by his followers in the Chat Thai Party for his continued stay in politics, but he made no mention at all about his political future, Prapri said.

Chatchai had earlier stated his intention to quit politics.

"I guess he might discuss the matter with party members after his arrival in Bangkok," the nephew-in-law said.

The former premier, who was toppled in the Feb 23 coup for alleged widespread corruption in his coalition Cabinet among others, did not let his aide know the length of his stay in Bangkok this time.

Pranpri said he was not sure whether Chatchai would return to Bangkok along with his business associate Phithak Intarawiriyanan, who was also accused last Friday by the Assets Investigation Committee of being unusually wealthy.

Phithak, a former senator and allegedly a business representative of Chatchai while the latter was in power, is also staying in Britain. Pranphi, however, said he was not aware of any contact between them.

Pranpri also said that the former premier was still healthy, jogging every morning near his residence. [passage omitted covered by referent item]

Chat Thai Party 'Power Struggle' Analyzed

*BK2707020591 Bangkok THE NATION in English
27 Jul 91 p A1, A2*

[Report from the "Political Desk"]

[Text] The announcement by the Assets Examination Committee yesterday added two more important names to the list of Chat Thai politicians who may lose their assets and be barred from the next polls if they fail to prove that their wealth had been legally acquired while they were in power.

They are among the 11 politicians named so far by the panel, chaired by Gen Sit Chirarot, for being "unusually wealthy". The panel has acquitted 10 others.

Eight of the 11 suspects belong to Chat Thai, including virtually all the powerful leaders of the party. Apart from former Premier and Chat Thai leader Gen Chatchai Chunchawan and his personal secretary, Pitak Inthawidhayanan, who were named in yesterday's announcement, the others are chief advisor Pol Gen Praman Adireksan, Secretary General Banhan Sinlapa-acha, deputy leaders Pramuan Saphawasu and Sano Thianthong, former Deputy Commerce Minister Chuchip Hansawat, and former Deputy Finance Minister Suchon Champhunut.

Out of those cleared by the committee in its preliminary probe, three are Chat Thai members—former PM's [prime

minister] office minister Kon Thappharangsi, former PM's Deputy Secretary General Det Bunlong and former Deputy Industry Minister Saman Phummakanchana.

Even without the investigation, Chat Thai Party is already in bad shape. What is adding to its woes is the ongoing struggle among its leaders and the fear—real or imaginary—that the military is trying to make inroads into the party through a "political front man".

In the words of a veteran politician who said saying nobody is quite sure now who would form "the head and the tail" (a Thai saying meaning leader and followers) of the party. [sentence as published]

Chatchai's stated political retirement has created a leadership crisis in the party. Despite a call by some followers for him to remain at the helm, insiders told THE NATION Chatchai's decision was final. In a recent interview in London, where he has spent most of his time since his release from military custody, Chatchai said he would not return to Thailand until after the election. "I will be home then to congratulate the new prime minister," he was quoted as saying.

One well-informed political analyst said: "The ex-prime minister, to me, is history. His continued stay at the top party post would make Chat Thai an easy target for other parties wanting to highlight alleged widespread corruption in the previous administration. Moreover, the military would also be unhappy with his continued political presence".

The Chat Thai Party was the core of the previous Chatchai administration which was linked by the military to rampant corruption.

With his departure from the political scene, only two senior Chat Thai members are powerful enough to succeed him. They are Praman and Banhan, both familiar faces in Thai politics for the past 15 years.

So far, only Praman has declared his readiness to take over the Chat Thai top post from his younger brother-in-law and Banhan has reportedly pulled out of the race.

But Banhan, according to political sources, has thrown his lot behind an outsider, Airports Authority of Thailand's Managing Director ACM Sombun Rahong, as the new party leader.

The secretary general is not ready to take over the leadership in part because of his concern over the ongoing investigation of his alleged unusual wealth.

Seen as Chat Thai Party's connection in the military, Sombun would be acceptable to military leaders, sources in Banhan's faction contended.

Praman's followers, however, saw the move for Sombun's takeover as a military attempt to weaken Chat Thai, control the party and bar Praman from vying for the premiership after the polls.

"If Sombun becomes party leader, he would not have the charisma that Praman has among the rank and file and

that would estrange many former MPs [members of parliament] and eventually prompt them to defect to other parties," commented one politician in Praman's camp.

Praman's followers believe that the military would attempt to make one of their leaders become the country's next prime minister and Sombun's control of the top party post would partly serve that purpose.

Banhan's younger brother, former Deputy House Speaker Chumphon Sinlapa-acha, however, commented that Praman would still be the priority candidate of Chat Thai for the country's top executive post even if he would remain chairman of the advisory committee or become party leader again.

Banhan has so far refrained from making any public comment on the issue.

He and Praman have also struck an agreement to save Chat Thai from political demise. This understanding between them has apparently led to a compromise resolution arrived at the first meeting of Chat Thai executives and former MPs after the coup. At the meeting, which was held after the martial law and the ban on political gathering had been scrapped, the Chat Thai faction leaders agreed to retain Chatchai as party leader until the next polls. But Chat Thai sources indicated that suspicions between the factional leaders remain strong.

"He (Banhan) agreed that Chat Thai must continue to exist but we don't know what exactly he has in his mind," said one source in Praman's faction. Party sources also said that quiet lobbying for key party posts turned intense after the party meeting and is still continuing.

"It's now at the bargaining stage within Chat Thai. On the one hand, Praman has informally counterproposed that either Sombun or Banhan should take over as secretary general. If Sombun becomes secretary general, Banhan can be promoted to become deputy leader," one source said. But Banhan wants to hold on to his present powerful post of secretary general, said the source in Praman's faction.

Other sources said Banhan and Sombun have been lobbying for support from Sano Thianthong, who has been one of Praman's key supporters.

"Banhan's group has decided to ignore Praman. They appear determined to push for Sombun's takeover while keeping Praman at the top ceremonial post," one source said.

In the meantime, Pramuan, a deputy Chat Thai leader and former industry minister, has reportedly made up his mind to abandon Chat Thai along with some followers. Pramuan is probing the possibility of forming his own party because he would accept neither Banhan nor Sombun.

The former industry minister recently wooed Narong Wongwan, who had previously agreed to bring his Ruam Thai faction out of the Solidarity Party to join the pro-military Samakkhi Tham (Justice Unity). Sombun and a top military leader are allegedly closely associated with Samakkhi Tham, which aims to prevent former army chief

Gen Chawalit Yongchaiyut's New Aspiration Party [NAP] from gaining power in the general election.

In the light of the leadership crisis, some former Chat Thai MPs reportedly sent feelers to other parties for their possible defection. Sa-at Piyawan, a senior Chat Thai member, has reportedly opted for Samakkhi Tham while a faction led by former MP's Office Minister Gen Han Linanond may finally end up in Chawalit's NAP.

Commented a veteran politician: "Chat Thai will lose its seats in the Northeast and elsewhere, although it would probably be able to keep those in its traditional strongholds in the Central Region."

Already there has been speculation that the party which commanded up to about 100 seats in the previous House might emerge as only a medium-sized political force with just scores of MPs.

Much will depend on the result of the investigation by Sit's panel against senior Chat Thai members, and the constitutional rules to be promulgated by the military-dominated National Legislative Assembly [NLA]. Already the Constitution Drafting Committee appointed by the NLA has resolved that former Cabinet members found guilty by the assets panel be deprived of their right to stand in the next polls.

And military sources have said that Banhan would survive the investigation while Praman would have his unexplained assets confiscated. If that was the case, the balance of power would tip in favour of the former. For now, however, Praman is determined to fight it out in his own fashion although he is aware that Banhan might have a better chance of being cleared.

"Right now, Praman is staying put. But if he is pushed to a corner, he would probably have no other choice but to fight back," a source close to him said.

Whoever emerges triumphant in the final power struggle will find the task of restoring the party's political dominance extremely difficult.

Vietnam

Le Mai Complains of 'Obstacles' to Normalization

BK3007092791 Hong Kong AFP in English 0917 GMT 30 Jul 91

[Text] Bangkok, July 30 (AFP)—The United States is hindering progress toward normalised relations with Hanoi, complained Vietnam's Vice Foreign Minister Le Mai here Tuesday after a private meeting with a senior U.S. Government official.

"As long as the U.S. attaches conditions to normalisation there will be obstacles," Mr. Le Mai said following a 2-1/2-hour closed-door meeting with Richard Solomon, U.S. assistant secretary of state. "Relations between our two countries should always be unconditional," said Mr. Le Mai, who had requested the meeting.

Before it will agree to lift its 16-year-old trade embargo and move to full normalisation, the United States has insisted

that certain conditions be met, including a solution to the Cambodian problem and a resolution of the issue of U.S. servicemen still listed as missing in action (MIAs) since the Vietnam war.

"We are moving step by step (towards normalisation), however it is too slow," Mr. Le Mai said.

"Some U.S. congressmen say that the U.S. is changing the goal posts. I don't know if this is right or not, but quite a lot of issues are seen by the U.S. as conditions (for the normalisation of relations)," Mr. Le Mai said. "If the U.S. doesn't attach conditions there will be no obstacles," he added.

Mr. Le Mai said that with the recent progress made by the Cambodian factions, and their establishment of a Supreme National Council (SNC), there was now a considerable amount of agreement between his country and the United States regarding the Cambodian problem. "We agree on the right of self-determination for the Cambodian people, the right of the Cambodian people to determine their future through the SNC. The solution of the Cambodian problem is now visible," Mr. Le Mai explained.

Mr. Le Mai said that he also discussed the MIA issue with Mr. Solomon but said that it did not dominate the talks.

The recent publication of a blurred photograph claiming to show three U.S. servicemen living somewhere in Indochina has rekindled the emotive MIA debate. American officials have cast doubt on the authenticity of the photo but a small but powerful lobby of ex-servicemen and anti-Vietnam Government activists is pushing for action.

The appearance of the photo led to a visit by Kenneth Quinn, a deputy assistant secretary of state, to Vietnam and Laos last week to investigate. The Vietnamese Government insists that at least one serviceman supposedly shown in the photo was killed in action more than 20 years ago.

Mr. Le Mai said that since September 1988, U.S. officials have spent 40,000 working days and their Vietnamese counterparts half a million working days searching for evidence of MIAs. "I don't believe there are any living Americans (left over from the war) in Vietnam," he said.

Mr. Le Mai said the talks with the United States would continue but said no date had yet been set for the next meeting.

Mr. Solomon was not available for comment after the meeting.

Soviet Envoy Holds News Conference 25 Jul

BK2907130191 Hanoi Voice of Vietnam Network in Vietnamese 1430 GMT 25 Jul 91

[Text] Soviet Ambassador to Vietnam R.L. Khamidulin on 25 July held a regular news conference in Hanoi. A large number of newsmen from mass media agencies at home and abroad attended the function.

Ambassador Khamidulin briefed newsmen on the current situation in the Soviet Union, including the upcoming visit

to the USSR by U.S. President Bush. He said that during the U.S. President's visit, both sides will hold talks on international and regional issues and discuss new aspects in the relations between the two countries.

Regarding the Cambodian issue, the ambassador said that the Soviet Union has supported—and will continue to support—efforts by all Cambodian factions to settle the conflict.

Vo Van Kiet Receives Japanese Delegation

BK2907150991 Hanoi VNA in English 1426 GMT 29 Jul 91

[Text] Hanoi VNA July 25—A delegation of the Tokyo Commerce and Industry Chamber of Japan led by Kazuo Kama, president of its Promotion Board and (word indistinct) president of the Matsukyu Group has paid a working visit to Vietnam.

The delegation was received by Vice Chairman of the Council of Ministers Vo Van Kiet, held working sessions with the State Commission for cooperation and investment, the Ministry of Commerce, the Ministry of Light Industry and the Chamber of Commerce and Industry of Vietnam. It also visited a number of production units and the prospective export production zone of Ho Chi Minh City.

Trade With Japan To Reach U.S.\$1 Billion

BK2807145291 Hanoi VNA in English 1407 GMT 28 Jul 91

[Text] Hanoi VNA July 28—Turnover in trade (between Japan and) Vietnam is expected to reach one billion U.S. dollars this year.

The upward trend began with the founding of the Japan-Vietnam Trading Society in 1956. That year, two-way trade was valued at a mere yen 260 million, most of which was accounted for by imports from Japan. Last year, the values rose to yen 116 billion, with two-thirds being made up by exports from Vietnam.

The president of the society, Mr. Koshiro Iwai, said during a visit to Vietnam in June that many Japanese companies wanted to buy processed foods from Vietnam. They are also interested in cooperation in the production of electronic goods, in developing export-oriented agriculture and industry and in infrastructure construction.

Radio Views ASEAN's Kuala Lumpur Meetings

BK2907044891 Hanoi Voice of Vietnam in English 1000 GMT 26 Jul 91

[Text] The Vietnamese national daily NHAN DAN on Friday [26 July] ran an article on the two important conferences in Malaysia which captured world attention.

The 21st ASEAN ministerial conference took place in Kuala Lumpur on 19-20 July with the participation of its six member countries. For the first time, representatives of the Soviet Union and China were invited to attend the conference. The joint statement issued at the end of the

conference, comprising 15 chapters and 65 articles, has pointed to the necessity to hold a close dialogue with non-ASEAN member countries and study a structure of political, economic, and security cooperation in Asia and the Pacific.

The agenda of the conference between ASEAN and seven industrial and trade partners, held 22-24 July, dealt with many regional and international issues. The agreements reached at these forums, though not many, showed the image of an ASEAN seeking steps and measures and reassessing their policies in conformity with the drastic changes in the world situation. The Cambodian issue was also mentioned in the seven-point statement on Cambodia and a chapter on Cambodia. The ASEAN countries highly appreciate recent developments, especially the results of the Supreme National Council meetings in Jakarta and Phatthaya, support the correct settlement of the Cambodian issue, and encourage the national reconciliation in Cambodia on the basis of respect for the rights of the Cambodian people. After the Bandung Forum, all sides agreed to cast aside their differences to cooperate in extracting natural resources and developing the economy.

The ASEAN statement on the Cambodian issue showed their positive and constructive attitude. Among the controversies in this forum was the economic cooperation of ASEAN in this current competitive world. To protect the economic interests, this group of countries has made great efforts [words indistinct] among ASEAN countries. They discussed matters on establishing an economic and development organization put forth by the member countries.

The Kuala Lumpur conference decided to discuss Malaysia's proposal on setting up an East Asian Economic Group in the meeting of ministers of economy to be held in October this year and put forth a research for ASEAN economic cooperation at an ASEAN summit to be held early next year.

ASEAN intends to promote, though carefully, its economic and commercial cooperation with their partners. The presence of the Soviet Union and China in this forum shows that ASEAN puts high value on the potential for these countries and wants to promote cooperation with them.

Meanwhile, the commercial and economic relations between ASEAN and Indochinese countries have been promoted and it is part of ASEAN intentions to balance and diversify its relations in conformity with the world economic situation. The security cooperation in Asia and the Pacific accounts for an important position, and the countries in the region have assiduously started to formulate, such as Asia's security structures, cooperation on vigilance, a new security forum in Asia and the Pacific, and the gap between their standpoints. Many problems put forth at Kuala Lumpur should be studied and clarified, but it is clear that ASEAN countries are readjusting their policies toward other countries, creating favorable conditions for their development.

Also this forum expresses belief in strengthening the cooperation among ASEAN countries, promoting regional

cooperation, and maintaining their ZOPFAN [Zone of Peace, Freedom and Neutrality] ideology. They do not want any military bloc and confrontation. ASEAN's policy of readjustment will be clearer in the conference of ministers of economy to be held in October this year and the ASEAN summit due early next year.

Radio Cites Foreign Investment Projects

*BK2907043891 Hanoi Voice of Vietnam in English
1000 GMT 25 Jul 91*

[Text] In the past three years Vietnam granted permits to 270 foreign investment projects with a total prescribed capital of U.S. \$2.1 billion. Work has started on 70 percent of the licensed projects and operation has been most effective in oil and gas, in the production of exports, and in telecommunications.

Vietnam is considering 17 foreign tenders for the construction of an oil refinery in southern Vietnam. The successful tenders will be granted a license within this year.

Pesticide, Railway, Other Foreign Contracts

*BK2807151391 Hanoi VNA in English 1358 GMT
28 Jul 91*

[Text] Hanoi VNA July 28—The Vietnam Antiseptic Company (Vipesco) has awarded contracts to 13 among 21 foreign tenderers for a 6,976,527 U.S. dollar sale of materials to Vietnam to produce insecticides.

The contract winners include Mutsumi, Shin Ersu, Meiwa, Sanyo and Marusa of Japan, Helm RPA (FRG), Cimco and Matcom (India), Roussel Uclaf (France), AP Pacific (Singapore), Rotam (Taiwan), Samsung, Matcom, and Daewoo (South Korea).

Vipesco has also invested VND [Vietnamese dong] 520 million in installing two production chains at Thanh Son antiseptic factory (the southern province of Song Be) and Tan Thuan factory (Ho Chi Minh City).

The Vietnam Railway Union has discussed with the Indian company Rites and the Japanese Company Saiho Mitsubishi their cooperation in upgrading the Trans-Vietnam Railway with Castrol Company on engine lubricant production, and Ret-Sel (FRG) on communications and signals along the Hanoi-Dong Dang line, and with the Hong Kong company Lotus on producing cement and transporting apatite.

The union has also signed an agreement on railway cooperation in 1991-1995 period with Cambodia.

Le Mai To Visit India in 'Early August'

*BK2907045091 Hanoi Voice of Vietnam in English
1000 GMT 28 Jul 91*

[Text] Vietnamese Deputy Foreign Minister Le Mai will arrive in New Delhi, India, in early August to confer with officials of the Indian Foreign Ministry on the relations between the two countries and on questions of common concern.

This was made public in a communique released in Hanoi last weekend by the Vietnamese Foreign Ministry. The visit is made under the agreements between the two sides and aimed at raising the efficiency of Vietnam-India cooperation.

Sihanouk Sends Message of Thanks to Vo Chi Cong

*BK2907151591 Hanoi VNA in English 1421 GMT
29 Jul 91*

[Text] Hanoi VNA July 29—Prince Norodom Sihanouk July 26 sent from Pyongyang a message to President Vo Chi Cong thanking him heartily for the "noble words" in the Vietnamese president's message congratulating him on his election as chairman of the Cambodian Supreme National Council. "It is my wish that the friendship between our two countries and nations continue to develop in harmony," the message stressed.

New Laotian Ambassador Presents Credentials

*BK2607154791 Hanoi VNA in English 1505 GMT
26 Jul 91*

[Text] Hanoi VNA July 26—Laos' new Ambassador Extraordinary and Plenipotentiary to Vietnam Khamphet Phengmuong today presented his credentials to Vice President of the State Council Nguyen Quyet.

After the presentation, Vice President Nguyen Quyet had a cordial conversation with the Lao diplomat.

DPRK Charge D'Affaires Gives Film Show

*BK2507153791 Hanoi VNA in English 1525 GMT
26 July 91*

[Text] Hanoi VNA July 26—The Democratic People's Republic of Korea's Charge d'Affaires Ri Quan-il gave a film show this evening at the end of "a month's struggle for the withdrawal of American troops from South Korea".

Present at the show were Le Van Dy, chairman of the Vietnam-Korea Friendship Association, and representatives of the Foreign Ministry, the External Relations Commission of the party Central Committee, and the Vietnam Committee for Korea.

Speaking at the function, the Korean charge d'affaires expressed his sincere thanks to the Vietnamese people for their support for the just struggle of the Korean people for a peaceful reunification of Korea.

Cuban Hosts Function To Mark Anniversary

*BK2607154591 Hanoi VNA in English 1505 GMT
26 Jul 91*

[Text] Hanoi VNA July 26—Cuban Ambassador to Vietnam Armando Saucedo Yero held a get-together here this evening in honour of the 38th anniversary of Cuban Patriotic Forces' attack on the Moncada Barracks of the Batista regime in Cuba (July 26).

Attending the function were General Vo Nguyen Giap, vice chairman of the Council of Ministers, Nguyen Dinh

Tu and Truong My Hoa, secretaries of the Communist Party of Vietnam Central Committee, Hoang Bich Son, head of the External Relations Commission of the Party Central Committee, and a great number of representatives of public offices and mass organizations.

Speaking on the occasion, Ambassador Yero and Gen. Giap spoke highly of the historical event and expressed their belief that the Cuban people would certainly overcome present difficulties and trials to firmly develop Cuba along the path of revolution chosen by the Cuban people.

Hanoi National Assembly Deputies Meet Voters.

*BK2607140191 Hanoi Vietnam Television Network
in Vietnamese 1200 GMT 25 Jul 91*

[Text] The eighth National Assembly deputies of Hanoi recently met with voters' representatives to listen to and note down the people's petitions before attending the ninth session.

Many voters held that the present taxation policy has not been even-handed among various economic sectors. It appears to be aimed only at the state-run enterprises. Regarding agricultural taxes, it was suggested that if peasants lose a harvest, taxes should be exempted or reduced immediately for that crop so that they will be able to pay taxes for the new crop.

The state should establish policies to let peasants borrow capital in order to engage in a family-based economy. Nearly all voters petitioned the National Assembly and the Council of Ministers to establish new wages projects and systems for workers, civil servants, and retirees so that they can meet the minimal demands of everyday life.

With respect to the costs of electricity used in production and home use, voters requested the state to revise them and make them more realistic; the present costs are still irrationally high.

Many voters held that although the law on popularizing elementary schools is essential, we must create material conditions for implementing the law and look after teachers in keeping with the law.

Nguyen Quyet on Congressional Resolutions

*BK2607162391 Hanoi Voice of Vietnam Network
in Vietnamese 1400 GMT 25 Jul 91*

[Text] Complying with the instructions of the Secretariat and Military Commission of the party Central Committee to seek a thorough understanding of the resolutions of the seventh party congress and to hold the second-round party congresses at all levels in the Army, the General Political Department recently held a conference of leading cadres and cadres in charge of propaganda and training and organizational work from all military regions, army corps, armed branches, military services, institutes, and schools in the entire army. This was aimed at disseminating various instructions and giving directions with regard to certain essential aspects to all echelons to help them prepare for the second-round party congresses.

Comrade Lieutenant General Le Kha Phieu, member of the party Central Committee and deputy director of the General Political Department, transmitted the party Central Committee Military Commission's instruction on holding the second-round party congresses at all levels in the Army and the General Political Department's direction for preparing these congresses.

According to the party Central Committee Military Commission's instruction, the entire Army will hold the second-round party congresses at all levels, from top to bottom, between August and late November 1991. After the national party congress, this is a particularly important political indoctrination drive aimed at seeking a thorough understanding of the fundamental concepts and viewpoints of the seventh party congress in order to turn them into practical actions in the entire party, people, and Army.

The instruction of the party Central Committee Secretariat points out that in the process of preparing for and holding the second-round party congresses, it is necessary to thoroughly understand the viewpoints of the seventh party congress in accordance with the spirit of renovation; to carry out renovation; to revamp the party; and to turn the resolutions of the national party congress into practical actions in all party organizations and units.

The important task of the second-round party congresses at all levels is to seek a thorough understanding of the fundamental viewpoints of the resolutions of the seventh party congress and the party Central Committee Military Commission; review work related to leadership in the last term of office; set forth orientations, duties, measures, and practical actions; and elect the new party organization executive committees.

The direction of the General Political Department points out that to ensure the quality of these congresses, it is necessary to most satisfactorily foster democracy; concentrate efforts on preparing reports and evaluating their leadership in the last term of office with a spirit of frankness and profound criticism and self-criticism; and accurately appraise any positive factors, weaknesses, and the reasons for these, especially subjective reasons for weaknesses. These congresses must manifest most satisfactorily the spirit, intellect, democracy, discipline, and solidarity of renovation stemming from the seventh party congress. In the course of discussion, delegates from various military regions, Army corps, armed branches, and military services also pointed to a number of issues that should be elucidated and definitely tackled in the entire Army, prior to holding the second-round congresses. These concerned the regulation on the participation of military cadres in the party committees at various levels, the system of political cadres, the system of party committee secretaries attached to various national defense enterprises on a full-time basis, and the replacement of delegates who were absent at the first-round congresses.

On behalf of the General Political Department, General Nguyen Quyet, standing member of the party Central Committee Military Commission and chairman of the

General Political Department, clarified a number of views in accordance with the spirit of the new statutes of the party and direction of the party Central Committee Military Commission. He said:

The process of applying the resolutions of the seventh party congress is also a process concerned with the diversified development of revolutionary realities. Therefore, while implementing these resolutions, all units should draw on experience and aim at good practical means and effective measures for submission to the higher echelons in order to continue replenishing various documents of the congress.

Comrade Nguyen Quyet added: The most important thing for the second-round party congresses at all levels is to renovate themselves and most profoundly understand all the viewpoints and concepts of the party. On the basis of linking self-criticism with scrupulous criticism, they must practically and specifically apply these viewpoints and concepts to themselves and to everybody so as to effect a healthy, outstanding change in their actions and outstandingly fulfill assignments for this year. They must also prepare themselves in every aspect so that they can embark on 1992 with new determination and new action.

National Assembly Deputies Discuss Amendments

*BK3007032891 Hanoi Voice of Vietnam Network
in Vietnamese 2300 GMT 29 Jul 91*

[Text] On 29 July, National Assembly deputies held group discussions on the draft amendments to the 1980 Constitution. Basically, the deputies agreed with the spirit and substance of the chapters and articles to which amendments have been suggested.

They held that according to the draft of the amendments that have been submitted to the National Assembly, this time the 1980 Constitution has been amended comprehensively, thus making it possible for us to institutionalize the main contents of the political platform and strategy of socioeconomic development laid down by the seventh party congress and establish an essential legal basis for accelerating the process of comprehensive renovation and advancing our country steadily along the line of socialism.

Third Day National Assembly Proceedings Reported

*BK3007060391 Hanoi Voice of Vietnam Network
in Vietnamese 0500 GMT 30 Jul 91*

[Text] This morning, 30 July, which is the third day of work of the ninth session of the eighth National Assembly, deputies held group discussions on the draft law on the protection, healthcare, and education of children, and the draft law on the popularization of primary education.

Regarding the law on the protection, health care, and the education of children, the deputies concentrated on discussing issues such as the name and specific contents of the draft law, the stipulation of age groups under 16 or 18, and the rights of children.

Children under the age of 6 are entitled to primary healthcare and free medical examinations and treatment at state medical establishments. They are also entitled to receive education and are obliged to finish the popular education program without paying school fees.

Regarding the draft law on the popularization of primary education, the deputies concentrated on discussing the name, disposition, and contents of the draft law; issues concerning the determination of the nature and aim of primary education and the use of languages in the popularization of education; the tasks of determining various subjects and the rights and duties of these subjects; the stipulation of the rights of state management over primary education; the [words indistinct] of the draft law; and the advantages and difficulties of applying the law, if passed by the National Assembly.

This afternoon, the deputies will continue their group discussions on the law on forest preservation and development.

Provinces Review Tasks, Prepare for Congresses

*BK2907091191 Hanoi Vietnam Television Network
in Vietnamese 1200 GMT 20 Jul 91*

[Text] The Lai Chau provincial party committee recently held a conference of cadres to review socioeconomic tasks during the first six months of 1991 and discuss urgent tasks for the second half of the year. The province invested more money to improve various key projects such as the Thac Bay hydroelectric power plant and the Hong San Lake, and to build more schools, dispensaries, and public health posts.

Meanwhile the Haiphong municipal party committee met to discuss measures to implement the socioeconomic development program, exploit municipal potentials, especially in sea transportation and ship building and repair; promote trade activities, tourism, and processing of maritime products.

In Lam Dong Province, the party committee is making preparations for the second round of party organization congresses. The province has urged agencies and sectors to nominate young, competent cadres—especially those who come from families of the working class, soldiers, and ethnic minority groups—for election of various echelons to the party committee.

In Long An Province, the party committee has set forth concrete measures to resolve the present pressing issues, improve production and the daily life to fulfill the 1991 plan, strengthen cadre-related tasks, and strive to satisfactorily organize the second round party organization congresses.

While making preparations for the second round party organization congresses, Kien Giang Province has striven to improve the educational task, strengthen ideological work, and conduct criticism and self-criticism. Through this political drive, the province has taken disciplinary

action against a number of party cadres and members and urged two percent of cadres in the province to improve their conduct.

Quang Tri Plans Second Round Party Congresses

*BK2907135591 Hanoi Voice of Vietnam Network
in Vietnamese 1430 GMT 25 Jul 91*

[Text] The party committee of Quang Tri Province recently held a conference to discuss a plan to organize the second round party organization congresses at various levels.

The conference appraised the socioeconomic achievements of the province, discussed difficulties in implementing tasks, and expressed their determination to further contribute to perfecting the seventh national party congress documents. The provincial party committee is inviting people to give suggestions on the composition of new executive bodies of party committees at district, town, and other levels before convening the second round of party organization congresses.

The provincial party committee has assigned its control and party building committees to answer the letters of complaint and criticisms from seven districts and towns. It has urged agencies concerned to take disciplinary action against degenerate party cadres and members to purify the party before the convening of the second round party organization congresses at various levels.

Army-Peasantry Coordination Program Set Up

*BK2607142991 Hanoi Voice of Vietnam Network
in Vietnamese 1400 GMT 25 Jul 91*

[Text] Senior General Nguyen Nam Khanh, party Central Committee member and deputy head of the General Department of Politics of the Vietnamese People's Army [VPA] and Comrade Cam Hoan, vice chairman of the Vietnam Peasants Association, together with functional agencies, recently held a conference to set forth a unified program for coordination between the Army and the Vietnam Peasants Association on mobilizing peasants to establish political bases in rural areas and to implement national defense duties in the new situation.

The General Department of Politics and the Vietnam Peasants Association unanimously decided on some main issues focusing on the implementation of the seventh party congress resolutions, continually carrying out the party's viewpoints on renovating the mass motivation tasks, and also enhancing operational quality and efficiency. Their aims were to bring into play the traditional relations between the peasantry and the VPA in the new revolutionary stage; consolidate and intensify the strength of Army-people solidarity; help stabilize all aspects of the situation, primarily the political aspect; continue to advance renovation along the socialist line; and build and firmly defend the socialist Vietnam Fatherland.

The VPA's General Department of Politics and the Vietnam Peasants Association set forth specific targeted measures to satisfactorily carry out the aforementioned coordination program.

Relocation of Population, Labor Force Reviewed

*BK2907144191 Hanoi Voice of Vietnam Network
in Vietnamese 2300 GMT 25 Jul 91*

[Text] The Ministry of Labor, War Invalids and Social Welfare on 25 July held a function to mark the 35th anniversary of the campaign for relocating the population and building new economic zones.

During the past 35 years, more than 4.82 million people have been moved from the low land areas to the midlands and mountain regions. These people have participated in reclaiming more than 1.8 million hectares of virgin land for cultivation.

The relocation of people and the labor force in various localities has created more jobs for the workers, thereby contributing to increasing the social products.

During the past 10 years, the department for relocating the population and the labor force has moved 2.3 million persons—including more than 1 million workers—to various localities to engage in agricultural production.

In an effort to implement the seventh national party congress resolutions and to carry out the population relocation task, the department is striving to improve work at various agencies and sectors, accelerate the building of new economic zones in accordance with projects already approved by the Council of Ministers, and develop all potentials of each locality so as to help develop the local and national economies.

Reports on Resettlement in Central Highlands

*BK3007072791 Hanoi VNA in English 0608 GMT
30 Jul 91*

[Text] Hanoi VNA July 30—Over the past 14 years, 374,900 people, including 180,000 workhands, have moved from various densely-populated provinces and settled down in the Central Highlands province of Darkak.

The new settlers reclaimed 28,480 hectares of virgin land for the cultivation of food crops and moved more than 674,000 cubic metres of earth for the construction of irrigation works capable of watering 17,000 hectares of

crop fields, thus raising the province's food output to 250,000 in 1989 from 61,532 tons in 1975. They built more than 8.5 million square metres of housing space and formed 10 new districts, including 44 villages; rural roads, medical stations, schools, radio broadcasting stations and shopping centres were built in the new settlements.

Thanks to the new source of labour, and with the close coordination of the local Army, Darlac has of late entered into joint ventures with foreign companies to plant more than 56,000 hectares of coffee and 16,000 hectares of rubber.

Catholic Group Holds Plenary Session 25-26 Jul

*BK2907150391 Hanoi VNA in English 1410 GMT
29 Jul 91*

[Text] Hanoi VNA July 29—The Committee for Solidarity of Patriotic Vietnamese Catholics (CSPVC) on July 25-26 held its plenary session to review the social activities of the Catholics throughout the country.

Twenty CSPVC chapters have been founded in cities and provinces which have helped in conducting charity projects.

Catholics in Ho Chi Minh City alone have so far this year contributed more than 50 million dong to various charity projects. Funds for the benefit of impecunious students have been founded at almost all parishes. The city committee is running a language school free of charge which at the onset is attended by 400 students. The committee has gotten donations from overseas Vietnamese and nongovernmental organizations abroad for the construction of a clubhouse for the youth, a daycare centre, an infant school and an infirmary.

Irradiation Center for Food Preservation Opened

*BK2907065891 Hanoi VNA in English 0552 GMT
29 Jul 91*

[Text] Hanoi VNA July 29—The Hanoi Irradiation Centre, the first of its kind in Vietnam, financed by the International Atomic Energy Agency (IAEA) at a cost of more than U.S.\$1 million, has been inaugurated.

The centre, located on an area of 1.8 hectare, 12 kms west from Hanoi, is designed to preserve products from agriculture, forestry, fishery, healthcare and other sectors. All the equipment of the centre has been imported from and installed by the Soviet Union. It will become operational on August 1.

New Zealand

New Budget Cuts, Reforms Government Services

BK3007095791 Hong Kong AFP in English 0921 GMT 30 Jul 91

[Text] Wellington, July 30 (AFP)—The New Zealand Government introduced radical changes in public health services and boosted duties on cigarettes and liquor Tuesday in a budget that slashed nearly one billion dollars (\$70 million U.S.) from its spending.

Finance Minister Ruth Richardson pledged that in 1993 she would deliver the first balanced budget for more than 20 years, fulfilling the National Party's main election pledge when it came to power in October last year.

Under the reformed health plan most New Zealanders will lose subsidies on visits to the doctor and will pay more for prescription items and hospital treatment.

However, subsidies will be carefully targeted so that poorer people and the elderly will receive more help than they do at present.

Other savings were achieved by cutting the budgets of most government departments and introducing a new pension scheme which will remove universal benefits and gradually increase the age of eligibility from 60 to 65.

"Our goal is strong and sustainable economic growth," Ms. Richardson told parliament. "The government is moving decisively to end decades of chronic overspending by the state."

There were no tax increases in the budget and the government relaxed the withholding tax on interest payments to non-residents.

From August 1 approved issuers will be able to pay tax-free interest to non-residents on new debt instruments on the payment of a levy equivalent to two per cent of the exempt interest.

"This move will be beneficial for interest rates and, consequently, investment," Ms. Richardson said.

The government also clamped down on what it called "sophisticated tax planning techniques" which had eroded the tax base last financial year.

Ms. Richardson said companies would in future be treated more like individuals.

"We are taxing their dividend income by removing the inter-corporate dividend exemption, typically from 1 April 1992. We are also restricting their ability to transfer losses and tax credits. These measures will sharply reduce the scope for corporate avoidance," she said.

Hefty excise increases putting a packet of 20 cigarettes up by 50 cents from the present 4.50 dollars and lesser charges on beer, wine and spirits will help improve the tax take for the 1991-92 financial year.

The budget totalled 29.7 billion New Zealand dollars (16.9 billion U.S.) and carried a deficit of 1.7 billion (970 million U.S.), against a projected deficit of about three billion dollars (1.7 billion U.S.).

Financial analysts said the budget would satisfy financial markets which had been waiting to see whether the government would deliver its promised tight fiscal policy.

Interest rates, which have been falling steadily this year and are now at about 12 percent, were expected to be further reduced soon.

Politically, the budget is seen as a gamble for the government. It is not expected to deliver any immediate relief for the growing rate of unemployment and will further damage the National Party's standing in the polls.

The government is banking on a turnaround by the time of the next election in October 1993. By that time, it reasons, investment and business growth should have been achieved through the low interest rates and price stability.

Papua New Guinea

Bougainville Leader Proposes Date for Talks

BK3007045091 Melbourne Radio Australia in English 0300 GMT 30 Jul 91

[Text] The Bougainville Revolutionary Army [BRA] says it is willing to begin more negotiations with the government of Papua New Guinea in just over three weeks time. BRA leader, Francis Ona, has proposed the 26th of next month as the date for the start of the talks. Mario Spencer reports from Port Moresby that the call was contained in a letter to Papua New Guinea prime minister, Rabbie Namaliu, and was Mr. Ona's first response to proposals by the Papua New Guinea Government for third round of peace talks.

[Begin Spencer recording] Mr. Ona says he wants the talks to begin on 26 August and to run for at least three weeks from that date. The date is one month later than originally proposed by the government. Mr. Ona said that time is needed to allow his side to consult and prepare for the negotiations. Mr. Ona called on the prime minister to take part in the talks himself, but Mr. Namaliu had previously said he would not go to Bougainville for the talks and that his government would be represented by the foreign minister, Sir Michael Somare.

Mr. Ona said he had not decided if he would take part in the talks himself or if his military commander, Sam Kauona, would attend. He said the make-up of the BRA delegation was a matter for the people of Bougainville to decide, but he warned the prime minister against adopting bullying tactics when the talks do get underway. [end recording]

